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A BLACK WRITER'S VIEW OF "ROOTS"

CHALLENGE FROM A SOCIAL DEMOCRAT

FEDERAL CHARTERING: THE NEW ATTACK ON CORPORATIONS

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Conference registration fee and all other expenses including travel to and from San Francisco are deductable expenses to investors for Federal Income Tax purposes.

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A forum for analysis and commentary, with an emphasis on individual liberty

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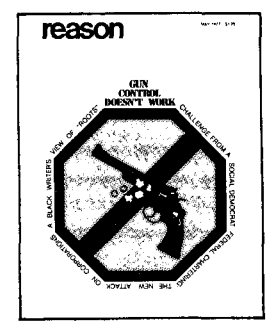
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GUN CONTROL DOESN'T WORK
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This month's cover, by Phil Groves, illustrates Don Kates' argument (p. 22) that the case for gun control is full of holes.

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LETTERS

CONTRA *CARRIE*

Charles Barr concludes his favorable review of *Carrie* [February] stating, "Director De Palma is innovative in his purposeful use of slow motion and other special effects. The pacing is carefully timed and the camera work is extraordinary. Lawrence Cohen's screenplay, from Stephen King's novel, deftly primes the audience for the movie's dizzying, hair-raising climax."

He should have added, "The only sympathetic characters in the movie are murdered during Carrie's vengeful orgy, several others dying undeservedly. Thereafter, the movie appears to have no point save mystic terror over justice. Unfortunately, the boredom this realization engenders among rational members of the audience terminates in a cheap climactic scene that reveals the movie's true purpose: terror for its own sake."

Brian Wright
Royal Oak, MI

ON POLITICAL ACTIVISM

I look forward to the day when the libertarian movement is so vigilant that statements like the following in REASON [February] cannot appear in a respected libertarian publication without immediate and vigorous challenge. The paragraph is in your centerfold, and happens to be authored by Dr. John Hospers:

> One fact can hardly be controversial: that running for political office, and assuming such office if one wins, is the quickest way of getting libertarian ideas known to millions—not at any great level of profundity, of course, but then neither do those who voted in the present mixed economy have convictions of any great degree of profundity. To the extent that libertarianism is known in the United States today, it is almost entirely because libertarians have formed a political party whose members ran for office and had their ideas publicized in newspapers, magazines, radio, and television.

The "fact" is indeed not "controversial;" it is abject nonsense. I have yet to see *any* significant label retention from those exposed to Libertarian Party commercials during campaigns; most Americans automatically blank out minor parties. As an alternative, may I suggest that I have had good results in associating *persons of accomplishment* with libertarianism: Robert Heinlein, Ayn Rand, Thomas Szasz, Poul Anderson, Sy Leon (known for his anti-vote campaign), Lowell Ponte, Edith Efron, Nathaniel Branden, and those no longer with us but still well-known such as Mencken, Orwell, Nock, Tucker, Shaw (in his anarchist period), and many others. (Imagine, if when Johnny Carson tore up that traffic ticket on his show, he had given our battle cry of "Laissez Faire!" what *that* would have done for the Movement publicity compared to two "presidential" campaigns by the LP.)

Furthermore, I must in all justice reply to Dr. Hospers in kind in his second point: To the extent that libertarianism is known in North America today, it is almost entirely because of the tireless work of a few educators, activists, and persons of prominence not afraid to be associated with a small, militant, and unpopular movement: Murray Rothbard, Robert LeFevre, Andrew J. Galambos, Leonard Read, Ludwig von Mises, Don Ernsberger, Dana Rohrabacher, Isabel Patterson, Rose Wilder Lane, Baldy Harper, all the persons of accomplishment I named earlier, many local activists reaching 10 or 20 or 30 people at a time with meetings, demonstrations, events being seriously covered in local papers on a recurring basis, and of course others I could not begin to name in full.

The "Libertarian" Party, as I have said elsewhere and seen confirmed over and over again, has only one claim to success in public relations: associating the label "libertarian" with "running for political office"—which many, if not most, libertarians would consider the basest smear. . .

Perhaps I need look forward to the day no longer; here's the challenge and today's the day.

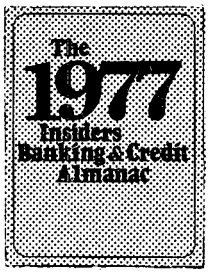
Samuel Edward Konkin III
Editor, *New Libertarian Weekly*

POLITICAL STRATEGY

I am sure that you will receive many vigorous comments on Dr. Hospers' article. I will leave to more qualified pens the criticism of his political antinomies on Social Security and so on. I can agree with what seems to

(continued on page 8)

Make a Fortune with these Banking and Credit Secrets...



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The author, Mark Skousen, is an insider himself, having worked for the CIA for two years. Presently, he is managing editor of the widely-read *Inflation Survival Letter* and author of the new book, *Playing the Price Controls Game.* Mr. Skousen has a Master's degree in economics. He continually keeps abreast of the banking world and consults often with bankers and financial advisers.

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EDITORIAL

REFLECTIONS ON CORPORATION PHOBIA

Some weeks ago the late Peter Finch appeared on the *Tonight Show* to plug *Network,* the Paddy Chayefsky movie in which he is one of the stars. In the discussion that ensued both Finch and Johnny Carson made extensive references to the awfulness of corporations. "They foster bickering," "People there are motivated by sheer greed," "The individual is simply lost in a world of corporations," and similar pearls of wisdom spattered over the microphone to 22 million *Tonight Show* watchers.

But surely, one might plead, who could take such trash seriously? No one watches the show for sociological insight. Probably not. Yet surrounding the entertainment features of Carson's variety fare is a world wherein the theme Finch echoed has become a veritable hit. With Ralph Nader never tiring of thinking up new schemes to denounce corporations, with politicians across the land rallying around the call for divestiture, and with decades of anti-business rhetoric reverberating throughout the globe, Finch and Carson merely make into cliches what may have become unselfconscious ideology for millions of others.

Well, but what's wrong with that? Surely corporations are very frequently the source of the worst kind of private and public shenanigans, with the worst of consequences striking at the essentials of many a person's private and public concerns. One need not detail the horrors perpetrated upon people by corporate interests—such names as Krupp, East India, Lockheed, are but a smattering of a sample.

Oh, but once again the story is clearly biased in favor of observing only the rottenness of life, in this case the seedier aspects of corporations. You can do this with virtually any social institution. Take marriage. Surely one would be hard put to provide data on the outstanding qualities of married life, not to mention giving examples of uniformly excellent marriages. Or sports, for that matter, or whatever else is covered by the news in our time. Unless one steps out of the government monopolized information-dissemination arena, one will not find but a couple of delightful things about anything in human existence. As one of my colleagues put it the other day, officially our world is committed to hating itself—at least its human elements. What with mankind no longer able to convince itself of possessing sparks of divinity, perhaps no one has thought of human greatness plain and simple.

Consider the corporation phobia. What could be wrong with people getting together to finance some venture that will be administered or managed by a group of experts hired for that purpose? Nothing. But in essence that is all that corporations are—voluntary groups united in the purpose of enhancing economic life via the production of some goods and services. The shareholders simply fund the venture, while the managers are paid to work hard for them. In the process, as it must be with any successful commercial endeavor, a lot of other people are getting what they desire for prices they are willing to pay. But this is just a very abstract side of the story. In particulars, what we get is voluntarily united effort, with the incredible results of technology, education, science, entertainment, art, travel and what have you as the benefit. The car that takes me to work and all other places, with its great little engine; the typewriter on which this editorial is being typed; the shirt I wear, the socks and the sweater; the glasses my friend bought yesterday; the books that I received in the mail today; etc., etc. All these are available because some people have chosen to build corporations that would pool resources and engage in productive, creative activities.

So what could be wrong? Why all the hatred, the nasty put-downs? What could be more benign than the legal arrangement which makes such incredibly beneficent human choices and activities possible?

To this the anti-corporate mentality will have a silent but potent answer: a similar arrangement in which human choices are well guided by compassionate, wise, altruistic, and completely powerful forces sitting in the political offices of the various societies throughout the world. Yes. The true underlying complaint against corporations is not that they have made mistakes, that they have often seduced governments for shady purposes, or that they are often interested only in profit. Most people are guilty of some of this! What really irks the anti-corporate activist is that *he* isn't managing this potent economic unit. Ralph Nader wants the power of corporations, as do all the critics. But they won't take the lifestyle that is often required, so a shortcut has to be devised. And this is government.

After all, government can be conceived of as an enterprise, a business run for profit. Sure it has to involve some oppression, repression, and slavery in the process, but what an efficient unit to have at one's control. When we no longer have to worry about people making choices as to what their energy will go to support, when we have it all in our own head and power to organize, our goals will flourish.

And what is more easy than to get support for this in a culture in which envy has been made part of the national psyche for the last century? The egalitarian mentality wants no one to be better off than another. Corporations can do very well, so-so, and quite badly, so there is plenty of egalitarian ground for objecting to them. If we made government the sole corporation, these unpleasant differences would vanish. Or so the fantastic story goes.

It is always difficult to defend an institution the participants of which have been guilty of so much evil as corporations have been. But here, as in other instances, the institution is not fundamentally at fault—apart from the questionable rule of limited liability for corporate negligence or intentional wrong-doing, it's a great idea. If it were defended as such, in its most excellent form, then nearly all the bad practices that go on under its name could be called just what they are—badly run corporations, flops, failures, shady businesses. But by attacking corporations as if they were evil incarnate, the question of how to accomplish the good things corporations do is left open—but not for long. Yet the substitute, namely socialism, hardly holds out individuality, benevolence, peace, and other benign characteristics as a promise.

So what is to be done? In general—and under the circumstances that alone is open for comment—the idea of the corporation as a method by which free people can gather, bind themselves by legal contract, and venture for profit, needs to be given *moral* support! On the one hand, it needs to be stressed that forming corporations is a species of freedom of action and freedom of contract. As such it is a feature of a good legal order that no prohibitions against incorporations—no state permissions, no state limitations on size, no regulations of corporate activity, no imposition of "social responsibility" (other than full liability for its noncontractual actions)—be tolerated.

This is the basic point, but it needs

(concluded on page 49)

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LETTERS

(continued from page 4)

be his basic position: that the poor and helpless should not be cut loose from their present supports until the safety net of the free economy has been placed beneath them. I am more concerned with the 1964-ish wishful thinking displayed by so many LP supporters.

My major objection to the Libertarian Party has been its emphasis on national-level politics. This is both a tactical and strategic error. Tactical, because no party can succeed without strong roots in local government. Strategic, because the LP needs more contact with voters and less intellectual incest and media-stroking. The idea that a highly publicized–and highly expensive–presidential campaign will "educate the voters in libertarian ideas" shows an astounding naivete. Even if the entire electorate would read and understand *Human Action,* the response would surely be: "So what? I'm not giving up *my* subsidy!" One might as well try to "educate" hogs to leave the trough at feeding time and go root for themselves (without using force, mind you!). Nor is it productive to tell people that they aren't *really* happy living in the security of the welfare state–that they are merely "internalizing their subjugation." A process of education is indeed needed, but it is more moral than intellectual education–and thus the harder, as people will admit ignorance more readily than guilt.

The LP should ignore national contests and concentrate its limited resources on local politics. This would give its personnel more experience with *serious* politicking. Furthermore, small but tangible successes could be scored immediately. In contests for local office the LP candidate could be innovative without frightening the voters. (And let's face it–the American public is not yet ready for Murray Rothbard as Secretary of Defense.) We must recognize that it will be a long time–perhaps a generation–before the LP can be effective on a national level. To hasten the day–and to gain maximal influence in the meantime–the LP must start at the bottom and work its way up.

Ronald E. Merrill
Rochester Institute of Technology

RESISTANCE

Since John Hospers will undoubtedly catch hell for wanting to delay the libertarian utopia for even one single day, let me express my appreciation for his thoughts on how to "get from here to there." I liked his article if only because it showed to me that there is still one single libertarian who doesn't think all weapons should immediately be thrown into the river. My warmest interventionist-militarist-imperialist consideration, professor John!

Still, in pleading almost exclusively for political action, I think J. H. has commented too unfavorably on at least one possible complementary way "to get there": resistance. It is true that if some people (say 10 percent) refuse to pay, the other 90 percent will be made to pay more. But this is precisely what will motivate part of these 90 percent to join the resistance. Should 50 percent resist, you would almost have to be some kind of a "statist hero" to go on paying for the 50 percent who don't. And should 90 percent ever resist, you would simply have to join them or perish. In fact, long BEFORE that point is reached, everybody who's willing to pay would have to give up more than 100 percent of his property to compensate for the resisters, an impossibility of course! So if ever there was an opportunity to provoke a snowball effect it must be here.

And what about the victims, those who will be picked out by the authorities as a warning to the others? Statistically the risk for every individual of being that victim himself remains small: one risk in a hundred to loose $100 is statistically to be preferred to giving up $10 without a fight. And why could the risk of being caught not be insured against like any other risk? This way, there would be no more victims, just people contributing part of the benefit they obtain (the fact of having no more taxes to pay) as a way to protect that very benefit. The difference between the two amounts remains a net benefit.

Guy de Maertelaere
Ghent, Belgium

PARALYZING BUREAUCRACY

Regarding John Hospers' article, "Getting From Here to There," I believe it is hopeless to wage a direct campaign against the governmental bureaucracy.

It would be more successful, and less costly, to create a situation in which the bureaucracy cannot grow unless it cannibalizes itself. If we can turn the bureaucracy's energies against itself, then we can devote our energies toward merely steering the course of

the collapse. I suggest the following:

With the intent of getting support from all areas of the political spectrum, we can publicize both the sheer *volume* of laws, rules, and regulations, and the *outdated* nature of so much of it. Dramatic and ridiculous examples are easy to come by, and we can constantly stress the waste and inefficiency of it all.

At the same time, we can offer a solution, a "streamlining" law. Such a law would be quite simple:

1. Henceforth, no law or rule, or regulation can be enacted unless it is accompanied by the immediate repeal of two existing laws, rules, or regulations.
2. Laws must repeal laws, rules must repeal rules, and regulations must repeal regulations.

There is such a tremendous inventory of long-forgotten statutes that a "streamlining" law would not be an immediate threat to anyone. It should get a great deal of support and very little opposition.

But the law would be a time-bomb which would paralyze the bureaucracy a few years from now. As government grows, it would be constantly paring away its fat, getting ever nearer to muscle and bone. Future politicians will be able to do nothing but sit in their offices drinking coffee, because their former colleagues passed a "harmless" law.

We can sell this idea if we market it correctly.

Rick Maybury
Vacaville, CA

PHILOSOPHICAL ABDICATION

The February articles by John Hospers, Moshe Kroy and Sharon Presley each pondered the glaring ideological, strategic and tactical divisions among "libertarians." What they did not state explicitly was that those divisions are the inevitable consequence of treating politics as a self-sufficient primary, severed from more basic philosophical considerations.

Prof. Hospers, in showing the intricacies of a transition from the *status quo* to a free society, enumerated many points of contention among "libertarians." Yet observe that each controversy was specifically over competing moral-philosophical theories. Is revolution moral when innocents are killed? Is seeking political office moral? or—among limited governmentalists—moral in a mixed economy? Is it ethical to receive financial compensation from a redistributionist state? Is it morally obligatory to prefer martyrdom to compliance with the state? Is it right to participate in an interventionist government during a gradualist effort to reduce its overall coercive capacity? The answers are to be found in philosophy; but "libertarians," qua movement, are committed to bypassing philosophy in order to preserve the illusion of a united political front. United—on what basis?

If, as Prof. Hospers indicated, any political transition must be dictated by establishing priorities, then by what standard are priorities to be determined? Priorities are hierarchies of values; and how can value-conflicts be resolved by carefully, agnostically tiptoeing around the moral-philosophical premises of those in the movement?"

Or consider Prof. Kroy's notions on selling the freedom idea to the general public. His article was a virtual mirror image of one I wrote in 1973 titled "Libertarian or Individualist?" In comments which sound as if personally intended for Prof. Kroy, I wrote:

> Politics and economics are the tail, the final outgrowth of the philosophical body. Today it is the body that is diseased and is infecting the tail. Yet the remedy "libertarians" suggest is medication (or, in the case of anarchists, amputation) of the tail . . . . The "libertarian movement" is focused on consequence, not cause: on men's political-economic conclusions, instead of on the philosophical-ethical premises which lead to those conclusions.
>
> Thus "libertarians" shout out ringing political phrases, only to hear them echo off the stone wall of men's altruist-duty ethics. Or worse: some attempt to sneak their political theories furtively past men's evaluative capacities by camouflaging the implications with "conservative" bromides and fuzzy euphemisms, so as not to sound too "radical and threatening" (i.e., challenging and precise). Rather than educate, they simulate.

If damning corporations to win over ecologists, or whining jive to win over black militants, or equating "libertarianism" with hedonism to win over hippies—if *this* is Prof. Kroy's notion of practical persuasion, then who is actually changing his position: the professor or his audience? Who is coming to resemble whom? If persuasion means becoming innocuously imitative, what becomes of one's integrity, self-respect and personal identity? Do we all become cultural chimpanzees and psychological chameleons, not to mention linguistic

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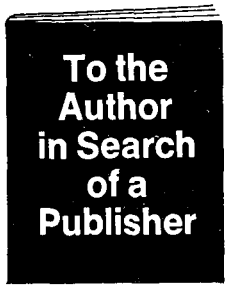

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REASON'S COMMENT OF THE MONTH

The letter below, by subscriber Ralph Fucetola III, appeared in the February 9, 1977 issue of the Newark, NJ *Star-Ledger:*

TAX REPEAL, NOT CUTS, ADVOCATED

The stand taken by Gov. Byrne and The Star-Ledger that we who demand an immediate end to the "temporary" income tax must "submit revenue alternatives" misses the thrust of our argument.

We do not want New Jersey to find alternate means of extracting more money from our incomes. Rather, we propose repealing the tax and reducing public spending.

We are, for example, convinced that, over all, there is at least 10 percent waste in New Jersey's governments. On a statewide basis, this equals $500 million. Just ending waste, coupled with the abolition of various "goodies" for private interests—such as welfare for the bus companies, etc.—could be the basis for abolishing the tax.

In 1965 state, county and local taxes took 4.2 percent of our incomes; in 1975 they took 8.5 percent. This, not "alternate sources of revenue," is the issue which must be addressed.

We must have meaningful tax reduction, especially in order to revitalize our sagging economy and to undo the nightmare bureaucratic chaos of the "T&E" plan.

We expect responsible elements in the Legislature to try and try again to repeal the income tax. If, as The Star-Ledger contends, the "work" of the Legislature is bogged down by the effort, so much the better, since our "representatives" can hardly find new ways to spend (and tax) if they are kept busy at the task of repealing taxes.

The growing broad alliance of taxpayer and citizen groups, concerned with reducing taxes and spurring economic growth, will redouble its efforts to repeal the state income tax.

We will be in Trenton—Income Tax Repeal Rally II is planned for April 16. We will be active in the primaries. We do not intend to let politicians carry on business as usual while tax repeal remains an uncompleted legislative item.

Ralph Fucetola 3d
North Arlington, NJ

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parrots, as the price of becoming mere political recruiters? Do we fight collectivism by modeling ourselves after *The Fountainhead's* Peter Keating?

A "libertarianism" which finds the moral-psychological premises of individualism dispensable, is no revolutionary new idea: it is a throwback to the irrationalism of the French Revolution, when "liberte" meant raving subjectivism.

The dead end of that philosophical abdication was revealed in Sharon Presley's properly denunciatory review of Walter Block's *Defending the Undefendable.* That "libertarian" *theorists* Rothbard, Browne, Szasz and Hayek could applaud Block's canonization of pimps, hookers, counterfeiters and blackmailers, causes me to gently inquire as to the exact philosophical foundation of their political theories—and as to the stability of a "movement" built upon that foundation.

So let us, by all means, remain philosophical agnostics in the cause of political ecumenism. Let us play ostrich and bury our heads in the daily trivia of the Carter years—or play decapitated chicken and run amok in the political field, since "time is too short" to define our philosophical identity (i.e., who we are and where we are going). After all, questions as to the moral validity of our crusade are best left until after we assume power.

Right?

Robert James Bidinotto
Somerville, MA

THE NEED FOR EDUCATION

Re John Hospers' article on our situation: Education is the only way to dismantle the machine of government effectively and to liberate the minds of the entire world, Third and otherwise.

My own experience is worth recalling. In July of 1976, as a senior in economics at Auburn University, a friend gave me a copy of REASON. As a result of that issue, along with a course in comparative economic systems, I became a fledgling libertarian. At that time, I was a near Galbraithian and a Carter supporter. Now, I am soundly libertarian and have "converted" about 10 people to libertarianism since September. All libertarians could be teachers and articles such as Hospers' could be instrumental as examples. There is a *world* out there ready to believe in something. Education is really not that hard to achieve. *I* can do it, "we" all can. "Politically" or "economically" we could constantly be examples for our neighbors who are really only a few seconds away. Thank you, John Hospers.

J. Frank Smith
Gadsden, AL

SUMMER LIBERTARIANS

Re: "Marketing Libertarianism" by Moshe Kroy [February]. A problem with these "summer libertarians"—the ones who have been baited into libertarianism on the strength of one or two tangential issues—is that when the weather turns cold, when they discover that libertarianism involves hard-line, laissez-faire capitalism and that the crutches of government must be cast aside, their epistemology and sense of self are unable to cope. Still in the Dark Ages within their minds, they are unable to handle complete freedom. They are quite likely to abandon what had been a passing interest in the libertarian ideas, and leave with a nasty taste in the mouth, mumbling about crackpots. Do we really need that sort of "convert?"

How much truer to form are those carefully cultivated libertarians, the ones that it takes years to produce. If, after many patient discussions, innumerable cups of tea, and countless underlined passages in books, you bring

(concluded on page 49)

QUICKIES

Carry Us Back to Old Virginny: the Virginia State Senate still refuses to ratify the 16th Amendment, which spawned the income tax. In fact, the latest attempt died in committee; said one legislator, "They'd have chewed that one up on the floor."

* * *

On his last day in office, Commerce Secretary Elliot Richardson approved a $730 million loan guarantee for General Dynamics. The money will pay for seven liquified natural gas tankers General Dynamics is building to ship gas from Indonesia to Japan. The construction will provide 6000 jobs in Quincy, Massachussetts–there is wide speculation that Richardson may run for governor of Massachussetts. The $1 billion Indonesian facilities to process the natural gas will be built by Bechtel Construction–George Shultz, Nixon's ex-Secretary of the Treasury, is president of Bechtel. By way of comparison, the notorious Lockheed loan guarantee was only $250 million. You may have already read about all this, back among the truss ads.

* * *

Some of the strangest people are goldbugs. A Mr. Stanislav Menshikov said in the *New York Times:* "It is now fashionable to treat monetary gold as an anachronism. However, no better gyroscope for the monetary ship has as yet been devised." Orthodox goldbuggery; except that Menshikov is a Soviet economist who works for the United Nations, where he calls for "a coordinated effort to return to money systems based on gold." Of course, his masters happen to produce 18 percent of the world's annual output of gold, but owning gold doesn't warp your views on the subject–or does it?

* * *

Endangered Feces: For the last nine months the National Park Service has been trying "to put out a fire in a 25,000 year accumulation of giant Shasta sloth dung in a remote Grand Canyon cave." The deposit, five feet thick, is one of "only ten known caves of sloth dung in the world" according to the *Washington Post,* and is considered a "treasure trove" for scientists. By February 1977 the costs of fighting the blaze, which was started by hikers, had passed $50,000.

* * *

Puzzling Coincidences Dept.: Violent crime in the United States–murder, rape, robbery and aggravated assault–fell five percent in the first nine months of 1976. During the same year, the number of felons in prison rose 13 percent.

* * *

William F. Buckley cohabiting with Gloria Steinem? Yes indeed, in the "Citizens for Restoring Public Trust in Government;" a group that was formed to seek higher salaries for our impoverished bureaucrats. The Citizens really *believe* that "the rate of good people leaving the government in the upper grades has become a flood" (as some commission claimed) because the poor dears haven't had a raise since 1969. The new paupers are Senators and Congressmen, plus the highest ranking Federal judges, commissioners and the civil service "supergrades", GS 16 through GS18. Of course, you know how hard it is to find Congressmen (just turn over a flat rock) and the *Washington Monthly* (Jan. '77) says that over the last five years resignations from the supergrades have run between 0.6 percent and 1.4 percent a year. But the Citizens insisted on the pay hikes–plus a "Code of Public Conduct" to limit how much they can steal–and Congress obliged with a $1.2 billion package that will boot the loot nearly 30 percent higher. The Code of Public Conduct, of course, was inexplicably omitted. If the Citizens really wanted to Restore Public Trust in our rulers, they could give them "raises"–by the neck–from the nearest lamppost.

* * *

What did the *National Review* have to say about Carter's pardon of the draft-evaders? "If anyone needed to be pardoned during the month of January 1977," said *NR*, "it should have been Lyndon Johnson, Robert McNamara, and other captains of catastrophe." Of course, *NR* thinks the "catastrophe" was "fighting [the war] in such a way that it could not be won"; but it's nice that someone, at least, understands who the real criminals were.

* * *

Speaking of criminals, the state of Israel takes 71 percent of the national income in taxes. And they call the *Arabs* terrorists!

* * *

The Quotable Patrick Buchanan: "Appalled at the findings of the European Commission on Human Rights–that British soldiers used torture on captured IRA suspects and terrorists–the *[Los Angeles] Times* thundered: '. . . no country, however great the provocation, has the right to inflict inhuman practices on anyone.' This is the sort of unflinching and absolutist position with which it is very hard to agree."–"The Right Time for Torture", *Skeptic,* Jan/Feb. 1977. "If the inside of the Kremlin was like the Oakland locker room after the victory over Minnesota, it would not be surprising . . . Mr. Carter's main goal, 'the elimination of all nuclear weapons from the earth', would make Soviet Russia with its vast conventional superiority, invulnerable and invincible"–*Human Events,* Feb. 5, 1977.

* * *

From Rhodesia comes the newest super-weapon–the cavalry. According to the *New York Times,* the horse-borne Greys Scouts "is proving to be one of the most successful units in Rhodesia's effort to suppress black nationalist guerrillas." Why are horses so effective? "You can get a lot of places you can't get in vehicles," the Scouts' commander says. "Also, you can cover a far greater distance and get a lot closer to the enemy before he hears you." According to Eugene McCarthy, the Soviets lead the U.S. by better than 100 to one in cavalry–3000 to 29–and just wait until the Committee on the Present Danger hears about that.

* * *

The *Progressive* reports that one year after World War II, all 6058 Americans who had been listed as missing in action were declared dead. One year after the Korean War, all 5127 MIAs were declared dead. None of them ever turned up alive. In mid-December, the House Select Committee on Missing Persons said there is no reason to believe any MIAs are still alive in Indochina, and recommended they be declared dead. Take it from there, Mr. Carter.

Bill Birmingham

TRENDS

FDA UNDER NEW ATTACK

The case against the FDA's regulation of drug development continues to build. The most recent addition to the arsenal is a blockbuster of a book, *Innovation in the Pharmaceutical Industry*, by economist David Schwartzmann of the New School for Social Research. Schwartzmann has examined in detail the new drug development process in American drug firms, comparing the periods of time before and after passage of the 1962 Kefauver-Harris amendments to the Food, Drug, and Cosmetic Act. His conclusion: the development of new drugs is being drastically curtailed by the FDA's stringent regulations.

Schwartzmann's case is impressive. His major new finding is that the after-tax rate of return on drug company R&D has dropped from 12 percent before 1962 to only 3.3 percent afterwards. The long-term effect of such a decrease will be to dry up investment in new drug development. This effect is already being observed, both directly and indirectly. Merck & Co. reduced research projects by 10 percent between 1969 and 1973. Over the past 10 years three other major drug firms have shifted 15 to 25 percent of their R&D from basic research toward development. "Scores of projects that would have been undertaken in the early 1960's are no longer economical," says Schwartzmann. The end results show up in the figures on new drug approvals: in the post-1962 period the number has averaged only 17 approvals per year, compared with 60 per year during 1957-61.

Two other consequences of the tougher regulations are also apparent. New drug research is shifting away from small firms to the industry giants and more and more of it is moving overseas. Economist Henry Grabowski of Duke University has analyzed the industry's "innovational output"—new drug sales during the first three years of a product's life. From 1957-61, the four largest drug firms accounted for 24 percent of the industry's innovational output; by 1967-71 the same four firms accounted for 48.7 percent. Small firms are being driven out of the market by FDA-imposed costs. Similarly, R&D is being forced overseas. Domestic drug R&D expenditures (in real terms) have grown only 2.3 percent per year during the past five years, while overseas R&D by U.S. companies has increased 19 percent per year.

The shift overseas has resulted in continued development and use of new drugs abroad, but unavailable here, a phenomenon known as the "drug lag." Pharmacologists Louis Lasagna and William Wardell of the University of Rochester have identified scores of new drugs used successfully in Britain for many years but still not approved by the FDA. Among these are all but one of the "beta blockers" used in cardiovascular therapy. Others include:

- *Vincristine*, a drug successful against acute childhood leukemia and Hodgkin's disease, developed by Eli Lilly.
- *MK 641/MK 642*, a broad-spectrum anti-bacterial agent more versatile than penicillin, developed by Merck.
- *DMSO*, an effective agent against arthritis, burns, ulcers, and various skin and muscular disorders, developed by Research Industries and others.
- *Larrea divaricata*, currently being tested abroad as an anti-cancer drug, developed by Chemex.

Merck is now doing 45 percent of its business abroad, as is Richardson-Merrell; Lederle is doing 50 percent, Pfizer 52 percent.

In the face of all this evidence, is anyone proposing to abolish the FDA? No. Congressional liberals have gone so far as to introduce *further*, more stringent drug safety regulations that would limit the sale of new drugs to a small portion of the population who would be monitored for adverse reactions over a period of years. Grabowski and Schwartzmann, by contrast, favor legalization of a two-tier market, permitting sale of not-yet-approved drugs alongside FDA-certified ones, allowing doctors and patients to choose. Adds Fredric M. Scherer of Northwestern University: "I would not prohibit a company from selling a drug just because it can't get some bureaucrat to put his stamp of approval on it. The bureaucrat is so worried about safety and keeps asking for more proof. He fails to consider that there may be people out there dying for want of the drug."

SOURCES:

- "The Hidden Cost of Drug Safety," *Business Week*, Feb. 21, 1977, p. 80.
- "Who's Afraid of the FDA? Everyone," *National Enterprise*, Feb. 9, 1977, p. 3.

AIRLINE DEREGULATION THIS YEAR?

The Carter administration has come out in favor of a bill to partially deregulate the airline industry. Over the private objections of Transportation Secretary Brock Adams, President Carter has voiced strong support for the concepts embodied in the Kennedy-Cannon deregulation bill presently before the Senate. The bill would significantly reduce the CAB's control over pricing and entry to the industry. It would permit fare increases of up to 10 percent and decreases of up to 20 percent without CAB approval; allow carriers (within certain limits) to expand their route mileage, add cities, and drop uneconomic routes without specific CAB permission; permit easier entry of new carriers; and deregulate air cargo altogether. It would also ease the CAB's statutory definition for deciding which applications for service are consistent with "public convenience and necessity."

The odds for passage of such a bill this year are much improved now that Carter has given his endorsement. The CAB's persistent failure to make significant reforms on its own, and the overwhelming evidence documenting the high costs of CAB regulation make some sort of deregulation nearly a certainty. Most recently the General Accounting Office estimated that passengers could have saved *$1.4-1.8 billion each year* between 1969 and 1974 in the absence of CAB regulation.

Some indications of the types of new service likely to be offered under deregulation are already evident. The CAB is now reconsidering World Airways' proposal for an $89 coast-to-coast fare (see Trends, March 1977). The British government has cleared the way for Laker Airways' no-frills $135 transatlantic air shuttle, subject to CAB and White House approval. And three airlines (including two newly-formed companies) have applied to the CAB for permission to begin extensive low-fare service to midwestern cities from Chicago's nearly-unused Midway Airport. This is just a taste of things to come once deregulation becomes a reality.

SOURCES:

- "Carter Wants Regulations on Airline Industry Eased, *Los Angeles Times*, March 5, 1977.
- "Compromise Bill," *Aviation Week*, Feb. 14, 1977, p. 11.
- "British Government Not to Appeal Laker Ruling," *Ibid.*, Feb. 21, 1977, p. 25.
- "Midway Case May Reveal Carter Policy," *Ibid.*, Feb. 7, 1977, p. 30.

RESTITUTION EXPERIMENT

The concept of criminals paying restitution to their victims is being given a further boost—by the Federal government. The Law Enforcement Assistance Administration is spending $2 million to evaluate experimental restitution programs in seven states: California, Colorado, Connecticut, Georgia, Maine, Massachusetts, and Oregon. Two-year demonstration projects, in which convicted criminals earn money to repay their victims, are being administered and evaluated in each of the seven states. LEAA hopes to identify the extent to which restitution saves taxpayers money, eases overcrowding of jails and prisons, and reduces the rate of recidivism (returning to crime after serving a sentence). Preliminary indications from isolated instances (see Trends, March 1977 and March 1975) are that restitution achieves all these objectives—in addition to being more just.

SOURCES:

- "Criminals Work for Their Victims in U.S. Experiment," UPI (Washington), Feb. 7, 1977.

TRUCK DEREGULATION IN SUBURBS

By making a change in its rules, the ICC has deregulated 25 percent of U.S. trucking shipments. What the agency has done is to expand the regulation-free zones around cities, thereby freeing up a substantial amount of metropolitan shipping. Ever since trucking regulation began in the 1930's, the area within cities has been exempt from ICC controls. But as cities have grown and suburbanized over the past 40 years, most metropolitan trucking has extended beyond city boundaries, making it subject to ICC regulation. In the New York City area, for example, the regulation-free zone extended only five miles beyond the city limits. The new rules expand this to 20 miles, encompassing a far greater portion of the metropolitan area. In the Atlanta area 80 percent of DeKalb County is now free from controls, compared with 40 percent previously.

Shippers are delighted by the expected decreases in rates, with cuts of up to 50 percent anticipated in some areas. Chambers of Commerce are also generally pleased, as are Transportation Department officials. Less happy are the previously-protected firms in the suburbs and their lobbying body, the American Trucking Associations. They are planning to take the ICC to court in an attempt to preserve their cartel status.

SOURCES:

- "Regulation-free Zones for Truckers in Cities Are Expanded by ICC," *Wall Street Journal*, Jan. 9, 1977.
- "Deregulation Hits the Urban Trucker," *Business Week*, Jan. 17, 1977.

GUN CONTROL MYTHS

Two more myths propounded by those seeking to curtail the individual right to own firearms have been discredited by a major study. The Washington-based Police Foundation studied the use of firearms in crime in 10 of the country's 15 largest cities. Their gun control laws ranged from virtually none (Houston) to extremely stringent (New York).

The first myth to be shattered was that inexpensive Saturday Night Specials are a major factor in gun-related crime. Not so, the researchers found. "Inexpensive firearms represented less than 30 percent of the confiscated firearms, suggesting that inexpensive handguns are not used as weapons of violent crime more often than other handguns," the study concluded. "Analysis of the types of firearms confiscated suggests that price is not a significant factor in the handguns used for the commission of crimes."

A second significant finding was that gun registration or other type of control will not prevent criminals from obtaining firearms, contrary to myth. From 20 to 25 percent of the criminal arsenal in this country is made up of stolen weapons. "Enough firearms are now stolen each year from law-abiding citizens to fill most criminal needs," the researchers concluded.

The study also pointed out the tremendously "cumbersome and expensive" effort that would be required to keep track of all firearms and their owners, given the millions of guns pro-

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duced each year and the millions more transferred second-hand. All in all, the Foundation's findings should give serious pause to any honest advocate of gun control.

SOURCE:
- "Cheap Guns Not Criminals' Main Weapon, Study Finds," *Los Angeles Times,* Feb. 28, 1977.

BUREAUCRATS AS FAILURES

The common stereotype of bureaucrats as bumbling failures has received striking confirmation in a recent British study. Psychology professor Dan Miller of Brunel University compared the home lives of two groups of workers: those whose jobs are highly bureaucratized (with work and responsibility split into the smallest possible units), and those who still work as entrepreneurs (craftsmen, workers in small shops and factories, and self-employed). The differences in job conditions and the corresponding differences in personality and home life were striking.

Entrepreneurial jobs require responsibility, initiative, and flexibility. In bureaucratic jobs (whether in factories, large offices, or government), workers must subdue their independence and initiative, constantly deferring to authority. The job behaviors are duplicated at home. The bureaucratic husband tends to be passive and uncaring. "He's learned not to think, not to be autonomous, not to make judgments, not to take the initiative, not to take on responsibility beyond his narrow span," Miller says. These gentle, liberal men consequently do very little to help out at home, despite their equalitarian views. It is *their* wives who end up espousing women's rights. The entrepreneurs, by contrast, though typically less "enlightened" in their views, tend to share in household responsibilities and take an active role in raising their children. On the whole they make better parents—more involved, certain, and active. Bureaucrats tend to be uncertain and vacillating, favoring a "remote" style of parenting. "Children of fathers from this type of work structure are far more likely to be disturbed," Miller notes.

Unfortunately the trend in Britain, as in the United States, is toward ever-greater numbers of bureaucrats and fewer and fewer entrepreneurs. Perhaps Miller's findings will make all of us more aware of the tremendous psychological price our culture is paying for this trend in work styles.

SOURCE:
- "British Husbands Labeled Bunglers," *Manchester Guardian,* Dec. 12, 1976.

COLLEGES ATTACK HEW

Four years after passage of the Rehabilitation Act of 1973, HEW has finally prepared regulations to implement it. The law requires all employers and institutions which accept Federal aid to adopt affirmative action and nondiscrimination policies toward the "mentally and physically handicapped." Especially affected are colleges and universities, nearly all of which have succumbed to the lure of Federal aid.

The American Council of Education reports that many college administrations are up in arms over what they see as requirements for "intolerable expenditures" and "unwarranted Federal intrusion" into their academic policies. Schools must remove barriers to mobility, alter admission tests so as not to discriminate against the blind or those lacking motor skills, avoid steering handicapped students away from certain fields because of their disabilities (blind chemists?), and provide auxiliary aids such as tapes for the blind, interpreters for the deaf, jacks for tape recorders, etc. ACE lawyer Sheldon Steinbach estimates the cost of full compliance at all affected schools to be $4.5 billion. Why, he suggests, must these costly regulations be forced onto every single college and university? Wouldn't it make more sense to foster such efforts at a few institutions in each part of the country? But that smacks of "separate but equal," a concept which is anathema to HEW bureaucrats. Particularly hard hit will be small, private liberal arts colleges, whose officials fear that stringent enforcement of the rules would mean financial disaster.

Accordingly, the schools are fighting back. Steinbach reports that there has been "as large an unorganized, spontaneous response as on any piece of legislation" affecting higher education. Whether the ACE and the schools can get sufficiently organized to change the law (or HEW's regulations), though, remains to be seen.

SOURCE:
- "The Handicapped: HEW Moving on Civil Rights in Higher Education," *Science,* Dec. 24, 1976, p. 1399.

MARIJUANA: SAVINGS FROM NEW LAW

California's partial decriminalization of marijuana has been in effect for over a year, and statistics have just become available for the first half of that year. They show that overall marijuana arrests have declined by 39.7 percent for adults and 10.5 percent for juveniles. Law enforcement costs for marijuana cases during this period have declined from $7.6 million to $2.3 million, reflecting an especially large drop in felony arrests (from 29,229 to only 3909). Court costs for processing marijuana cases have declined about 80 percent, since most people caught with an ounce or less choose to pay the fine rather than go to court. The effects of the new law on the extent of actual marijuana use are harder to discern. Police officials in San Francisco and San Diego report no indication of increased usage, but the Los Angeles Police and Sheriff's Departments (both headed by strongly anti-marijuana chiefs) report making much larger marijuana seizures during the past year.

Perhaps in response to the reduction in court costs, the State Bar's board of governors has reaffirmed its support for full decriminalization of marijuana use. The action came in response to a resolution to that effect passed by the Bar's Conference of Delegates last fall. The Bar will officially support such legislation if it is introduced in the Legislature.

SOURCES:
- "Liberal New Law Cuts Marijuana Arrests in State," *Los Angeles Times,* Jan. 17, 1977.
- "Softer Marijuana Law Again Backed," *Ibid.,* Jan. 22, 1977.

MILESTONES

- *Gold Clause Contracts.* Sen. Jesse Helms has once again introduced legislation (S.79) that would legalize the use of gold clauses in contracts. The measure would give individuals a way to seek protection against inflation by writing contracts calling for repayment in gold, not dollars. Last year, a similar bill was adopted by the House and received serious consideration in the Senate as an amendment to the Bretton Woods Agreement amendments. (Source: *Men and Money,* Jan.-Feb. 1977.)
- *No Right to Jobs.* "There is simply no constitutional right for homosexuals to work for an unwilling employer." So ruled the California Court of Appeals in January. Properly limiting the role of the State, the court's decision pointed out, "The State is in no way arbitrarily interfering with private employment of homosexuals. It has simply remained neutral." Now if only the same rule of reason could be applied to all other groups which seek the arbitrary interference of the State in private employment! (Source: "Homosexuals Have No Right Against Job Bias, Court Rules," AP (San Francisco), Jan. 5, 1977.) ◻

1 Will Social Security be there when you need it?
(Or is it, as some critics say, the "greatest chain letter in history"?)

2 Are the educational "elitists" ruining our schools?
(Kids' test scores are hurting along with their manners. And worried parents want to know why.)

3 Has Russia really changed her stripes?
(She's now outpacing us on military spending by 45%!)

4 Are we being too easy on criminals?
(A concerned ex-convict says "Yes" — and that we'll all have to pay for it in a frightening crime rate.)

5 Is it true that TV news is slanted?
(Analysis of verbatim transcripts yields evidence that's hard to argue with.)

6 Are we killing the goose that lays golden eggs with high taxes on the middle class?
(There are now more people at the government "payout window" than there are workers in the private economy!)

7 Is TV violence hurting our children?
(According to one estimate, the average 15-year old has seen 13,000 people killed violently on TV.)

8 Are we going too far in hamstringing the CIA?
(There's another side to the arguments of CIA critics.)

9 Is government strangling private enterprise?
(We spend $4 billion yearly to support federal regulatory agencies. And that's just the tip of the iceberg.)

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Henry G. Manne

Federal Chartering: The New Attack On Corporations

We are pleased to print below Prof. Henry Manne's testimony on June 17, 1976, before the Senate Commerce Committee hearings on Federal chartering of large corporations. While he defends corporations here, Manne has pointed out to us that "this piece is not a summary of [his] theories on corporation law or corporate structure." Thus, for example, he does not take up the issue of limited liability of corporations. For libertarians, holding that people should bear responsibility for their actions, this issue makes a defense of corporations problematic. People have the right to contract with one another to limit their liability, of course, but in incorporation as currently practiced, people set up an organization and get the State to limit the extent to which they are liable for actions affecting third parties, who are not party to the contract. (For a criticism of libertarianism because of this aspect of corporation law, see REASON's interview with Nicholas von Hoffman, August 1976, p. 16.) In response to the editors' raising this point, Dr. Manne has promised a future article dealing with the issue. For now, he clears away some common misconceptions about corporations and examines the competitive advantages of state versus Federal chartering.

Before addressing specific aspects of this subject, it seems important to me to dispel certain misunderstandings surrounding the notion of Federal chartering and indeed a very widespread misunderstanding about the nature of the corporate system itself. On the first of these I believe it is fair to conclude that the phrase "Federal chartering" misleads the public about what proponents of this idea actually

have in mind. While proponents do evidence some concern with the inappropriateness of state chartering of corporations operating across state and national boundaries, it does not seem to be the procedural or administrative aspects of incorporation, connoted by the word "chartering," that concern them. Rather, under the resurrected rubric of Federal chartering, we are again—or still—being offered more Federal regulation of large corporate enterprise.

By focusing on the concept of chartering rather than upon the performance of companies, and seeming to emphasize jurisdictional aspects of the question, these advocates imply that they are advancing a new idea and that they need not rigorously demonstrate why the present system needs correction or even prove the evils our largest corporations are alleged to be perpetrating. This is a clever strategy, since they would find it extremely difficult if not impossible to demonstrate any correlation between corporate size and their accusations about large companies. For example, no economist has yet demonstrated correlation between monopoly power and the size of a particular corporate enterprise. In fact, the evidence strongly suggests a correlation between size and economic efficiency.

Unfortunately, the constant repetition of unproven and untrue claims about large corporations has seriously diminished the ability of the broader public to understand the nature of the issues and the costs they may incur if ill-advised remedies are taken for imaginary ailments.

Such characterization of the corporation can never do more than confuse the difficult analytical problems raised by the complex phenomenon that is the modern corporation. If we allow ourselves to address the problem simply in terms of the powers of a large, artificial being, we are certain to miss the essential economic and market characteristics of the American corporate system. For the corporation is, fundamentally and quintessentially, a product of free-market forces. The growth and survival of this organization form, comprised as it is of an incredible number of individual contractual relationships, is itself strong evidence both of the market origins of the corporation and of the social benefits that emanate form this device.

It has been pointed out that there is literally no aspect of "corporateness," with the possible exceptions of suing and being sued in a corporate name, that could not be achieved through private contract rather than through the provisions of general incorporation laws. Indeed, English entrepreneurs, during the greatest period of industrial growth known in the history of the world, managed the organization of large business enterprises, with little or no involvement by the State, through the use of a business form known as the joint stock association. This form, which was the 18th- and 19th-century English version of the modern American corporation, was constructed almost exclusively from the common-law concepts of trust and private contract.

But it does not serve the purposes of those with the modern anticorporate mentality to understand the corporation as a market phenomenon. After all, how could anyone deprecate or despise something called a "complex congeries of interacting private contractual arrangements?" And how could one shudder or tremble at the very thought of "capital market managerial displacement mechanisms?" Technical precision simply does not lend itself to vituperation. It is so much easier to draw emotional support for an attack on something called a "giant corporation."

Even 100 corporations producing a large percentage of our manufactured goods is still a very large number compared to that single concentration of power that has become our national government.

Let's look more closely at some aspects of the current attack on large corporate enterprise. First, there is the issue of corporate structure, the internal organizational arrangements of a corporation. Second, there is the behavior of corporations in society, though I will not include here a discussion of the monopoly question. This last matter seems too tenuously related in economic logic to the subject of Federal chartering for treatment here.

Adolph Berle, in his classic work, *The Modern Corporation and Private Property,* coauthored with Gardner Means, referred repeatedly to the "traditional theory of corporations." Oddly, however, nowhere in the literature of that time can one find any statement of such a theory. One can only infer from his stated concern with this "theory" that Professor Berle created a strawman out of a list of disconnected legal and political notions about the corporation.

The first of these analogized the position of shareholders to that of voters in a democratic, political institution. These voters, theoretically well-informed through disclosures required by law, would elect representative officials to govern their corporation. The behavior of these officials was, in turn, "constitutionally" controlled by the provisions of the certificate of incorporation or charter, state corporation laws, and later by Federal regulatory provisions.

As Berle examined each of these notions, he found them seriously wanting. Shareholders were not an informed or powerful electorate; elections did not occur with regularity or with the hoopla and paraphernalia we associate with political campaigns; the directors seemed to be in perpetual control of the large, diffused-ownership corporations; and there were neither governmental nor market forces constraining the powers of those controlling the corporations.

Certainly what Berle described was a blueprint for a great many abuses, both social and economic, and he proposed various devices to make large corporations appear more democratic from the shareholders' viewpoint and more legitimate in the exercise of their power. I shall return later to Berle's own resolution of the problem he described. For now, however, it is important to note that the ensuing 43 years of research and analysis of the problems Berle described have only demonstrated their ethereal, if not their totally mythological, existence. For Berle, like a great many writers before and after him, did not comprehend the fundamental role played by market forces in the design, the structure, and the performance of the modern corporate enterprise.

By the use of analytical and empirical tools that became available after Adolph Berle had done most of his writing, economists have developed new, complex theories to explain the corporate system. This newer work has enabled us to achieve a level of sophistication in our understanding of this complex organizational mechanism

that still has not permeated the popular or journalistic, or the more narrowly legal, writings on the subject.

The economics of the corporate form recognizes shareholders, not as political citizens, but rather as economic decision makers who have determined on a certain type of investment. The corporate form allows masses of individuals to invest small parts of their total savings in large, professionally managed enterprises without risking the loss of all their wealth in the event one venture goes sour. These shareholders constantly make decisions to buy or not buy shares, or to sell or hold shares, thus automatically generating the market price. This market has now been demonstrated, by perhaps the most exhaustive and conclusive series of empirical studies done on any aspect of modern economic theory, to reflect with extreme accuracy and speed all information that would influence a share's price. This is the now-famous "efficient market hypothesis."

How ironic that the very corporate executives whose motives and goals are now so mistrusted should be asked to adopt and implement our social goals!

If the stock market is as efficient as these studies uniformly indicate, then all shareholders are receiving tremendous external benefits in the form of correct pricing of their investments at no additional cost to themselves, and the rest of society as well achieves tremendous economic benefits at no cost. Now we can begin to understand more clearly why the status of shareholding is an economic and not, in any relevant sense, a political phenomenon.

Once we reach this understanding, a number of implications follow. The first of these is that any effort to "democratize" the corporation is solving a nonexistent problem, since shareholders are not adopting their status with any view to political power, but rather with a view to maximizing their net worth positions. Furthermore, efforts to gain representation for other constituencies, to the extent that this can be accomplished at all, can only damage the economic position of shareholders and either destroy or distort the market mechanisms that developed, as we shall see, to protect the shareholders' investments.

This brings me to a second fundamental aspect of an economic analysis of corporations. If, as indicated, the stock market correctly discounts the future flow of income from corporations to establish market prices, and individuals continue by the tens of millions to invest in corporate enterprise, some market mechanism must be available for assuring efficiency on the part of corporate managers and for replacing less productive ones with more efficient ones.

Manifestly this is not done through anything like the political elections that characterize the selection of government officials. We now know that in the main this function is performed by individuals or representatives of individuals who have substantial wealth positions at stake.

The crucial role played either by outside directors when they are a majority, or by some group outside the formal corporate structure when outside directors are not a majority, is to monitor the efficiency with which the actual corporate managers perform their tasks. The classic analysis of this function was done by Professors A. Alchian and H. Demsetz in "Production, Information Costs, and Economic Organizations" (*American Economic Review,* 1972).

In the vast number of instances of declining managerial efficiency, a subtle, interpersonal mechanism apparently works quite satisfactorily. On occasion, however, a crucial back-up system, which Professor Oliver Williamson of the University of Pennsylvania calls a "capital market displacement mechanism," must be used instead. The most obvious of the market displacement mechanisms is the tender offer for shares. The proxy fight, by comparison, has numerous disadvantages and is accordingly only rarely used. Still a third device that may serve the purpose of replacing corporate managers in the absence of personal shareholder control is the merger, which is often a cover for a decision to quit by existing managers who have been forcefully made aware of market realities.

A rigorous economic analysis of the corporation, only the rudiments of which can be described here, demonstrates the futility, if not the actual damage, that can attend efforts to "constitutionalize" a corporation by specifying who should sit on its board of directors. The board may serve a variety of marginally valuable consultive purposes, but in the last analysis, if it does not perform the management monitoring function, the market will provide a substitute device, and shareholders' interests will be served.

This approach also demonstrates the absurdity of focusing on what are conjectured to be the true directorial responsibilities of members of the board, a misconception pithily alluded to many years ago by former Associate Justice William O. Douglas as "directors who do not direct." Unfortunately, in recent years this belief that the directors of corporations should play an active role in managing the affairs of corporations (as opposed merely to monitoring the performance of actual managers) has gained considerable credence with the SEC and with courts seemingly bent on establishing totally inappropriate standards of care for corporate directors. As Lord Keynes so aptly stated in the *General Theory:* "Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back."

Have so-called market failures been as common and as costly as the much less heralded, and not yet cleverly titled, failures of government?

Another aspect of the current discussion of Federal chartering relates to the *social* performance of large corporate enterprises. Not the least part of this topic has been the much-discussed and little-understood notion called corporate social responsibility. It was in this connection that Adolph Berle, in an important work of the early fifties entitled *The Twentieth Cen-*

tury Capitalist Revolution, found to his own satisfaction an answer to the problems raised by the large corporation. Berle concluded in that work that large American companies, free as he thought they were from market constraints and government supervision, were in fact appropriately managed from society's point of view.

Managers, he concluded, were meeting their responsibilities by producing or developing the material resources appropriate to our society, by keeping prices at a fair level, by dealing justly with employees and others, and in general, by refraining from abusing the vast powers they had. Berle seems to have concluded that the soulless corporation had found and saved its soul by virtue of good works. In the process, he demonstrated again how little he understood the impact that market forces have on the behavior of individuals operating large corporations.

The immense literature of recent years on the subject of corporate social responsibility can be simply summarized pro and con. Proponents basically assert what can only be called a personal preference to have corporations behave as they would like them to, though they are by no means in agreement on what is correct social behavior for a "corporation." The response literature in this field, to which I have contributed perhaps more than my share, is devoted to the proposition that corporations neither can nor should try to engage in real social welfare activities (apart from obeying the laws of the land).

The most significant argument is that a corporation is not such an entity or being that can logically have ethical attributes, or an altruistic spirit, or a social responsibility. The second line of argument is that in a competitive milieu the funds that corporations actually have available for altruistic purposes are so insignificant as to make the very concept chimerical. To whatever significant extent corporations can engage in altruistic behavior, they must be realizing monopoly profits, thus evidencing that other aspects of the government's program for dealing with the economy are not succeeding.

As a corollary to this notion, it should be noted how ironic it is that the very corporate executives whose motives and goals are now so mistrusted should be asked to adopt and implement our social goals. Business executives, after all, are not specialists in representing broad public interests. That is the elected politician's legitimate responsibility. But I believe that the advocates of corporate social responsibility are fooling the public into believing that corporations should do these things voluntarily, when in fact these advocates understand full well that they are actually generating more government supervision and regulation. Consider, for example, such areas of concern for corporate social responsibility as racial employment policies, pollution controls, safety of employees, consumer safety, and a variety of other matters, all initially identified as corporate social responsibilities and all now firmly in the domain of government regulation.

In one area, however, socially acceptable behavior is not a matter of dispute. Adherence to the laws of our land is an obligation of corporate executives acting personally and on behalf of those they represent.

The recent issue of the bribery of foreign officials seems, on the other hand, to raise a different kind of question. We cannot specify, under our own political powers, what the real or de facto laws of another country are, and consequently we cannot blithely or universally assert the impropriety of behavior accepted de facto as appropriate in other countries and cultures. Furthermore, attempts to distinguish bribes in one country from the taxes or expropriations in another become extremely difficult, if not impossible, in the real world. And attempts here to police foreign behavior and customs has been repeatedly demonstrated, in business, military, and diplomatic con-

Some lamentable, and then strange, events surrounded Dr. Manne's appearance before the Senate Commerce Committee. Federal chartering of corporations had been most notably proposed by Ralph Nader, and he was the committee's star witness. Manne was among others invited by the committee to testify. On June 17, the day both Nader and Manne were to appear, Vance Hartke was the only Senator in attendance. Missing, among others, were ranking minority Senator James Pearson and Republican committee members Griffin, Beall, and Buckley. A sizable crowd showed up.

Nader had not yet arrived when the day's proceedings began. Of all the witnesses invited, Manne had come the greatest distance, and it was known to the committee that he had a return flight to catch. Two witnesses were called. Nader arrived, was called, and gave his testimony about all the evils that corporations allegedly perpetrate (referring to Dr. Manne in passing as "that academic from South Florida"). Senator Hartke and his aides put some questions to Nader, none of them challenging his theory of economics or, really, his evidence. When Nader left, most of the spectators went also.

More witnesses were called, until finally Manne got his turn. A few sentences into his remarks, however, and Hartke exited, leaving Manne speaking to Hartke's aides and a few spectators. Half-way through, the Senator returned, proceeding to interrupt with questions showing he hadn't read the testimony in advance (for which purpose copies are supplied). Moreover, the questions "demonstrated an embarrassingly small knowledge of economics and were phrased in rude and abusive language." This is not according to Manne, but according to the September 1976 Bulletin, *Economic Education and Research Forum. Manne responded politely, they report, to Hartke's accusations of callousness toward human life and advocacy of breaking the law. But, "Since Senators Buckley, Beall, Griffin, or Pearson had not troubled to attend the hearings, there was nothing to be done." Could this sort of negligence, asks the* Bulletin, *and not the simple propensity of most legislators to pass economic regulation, explain why free-market supporters are fighting an uphill battle?*

So much for the lamentable events. Strange ones were to follow. A Commerce Committee staff member telephoned Dr. Manne the next day to offer a personal apology for Senator Hartke's treatment of him. Yet reports were circulating that it had been the other way around—Manne had been flip and rude toward the Senator! Meanwhile, Manne received a summary of the hearings, distributed by a Washington-based business group, in which the account of his testimony was garbled. Disgusted, he tossed it out, a move he regretted in light of the reports, now getting back to him, about his allegedly bad conduct in Washington. Attempts to obtain another copy of the summary from the outlet that had distributed it were unsuccessful.

An interesting case study in political intrigue? Yet the "moral" for libertarian activists is unclear. Is the conclusion that, with this sort of bizarre goings on, it's useless to attempt to "work through the system" bit by bit? Or is the conclusion that the free-market position is finally getting on the map, since only people who are getting scared pull such shenanigans?

texts, to generate perverse results in this country.

One more thing should be noted in this connection. The bribes headlined in recent months have always gone to government officials, and we can reasonably surmise, by looking at the countries involved, that this behavior results when government has intervened so much into commercial activities that such behavior can no longer be constrained. This is precisely why the analogy of the bribe and the "spite tax" is so pertinent, since, in the countries involved, the bureaucracy accepting the bribes in fact constitute the government of those lands.

One further aspect of the performance of American business should be touched upon in any discussion of Federal chartering. Clearly, a competitive market system has many of the same virtues as political federalism, a concept whose popularity, while cyclical, is unmistakably on the rise. True federalism denotes a large number of power centers, each offsetting and competing with the others to some degree, but none being able totally to dominate a sector of society. There is still substantial agreement among our political savants that a principal reason democracy has survived for 200 years in the United States is our diffusion of political power.

There has not been even a scintilla of recognition of the incredible record of production, employment, and honesty of American business.

In no small measure this diffusion of power has also resulted from a competitive free-market economic system. Whatever fears each of us harbors of a totally centralized, authoritarian government, so these fears must grow as we contemplate increasing regulation of even the largest or our private corporations. After all, even if a proposal to limit Federal chartering to only the hundred largest corporations were adopted, this would still result in the weakening of twice as many competing power centers as exist among all the states in the United States.

We have been too quick to believe that, because 100, or 700, corporations produce a large percentage of manufactured goods in this country, the number must be too small. Viewed in the broader context of the entire political economy, even 100 is still a very large number compared to that single concentration of power that has become our national government.

And if comparisons are in order, it is hard to believe that so-called market failures have been as common, as dangerous, and as costly to society as the much less heralded, and not yet cleverly titled, failures of government. One need only compare the efficiency of the United States Post Office to that of any of the hundred largest corporations, or the Federal government's administration of foreign affairs in Vietnam to any corporation's handling of its intercorporate diplomacy, or the mess that we have made of almost every major city in the United States to the financial and managerial situation of these same companies. Then we may quickly realize that at least a part of the current concern with the performance of large corporations very likely represents the use of a scapegoat to distract the public from the far greater injuries it suffers at the hands of government.

One of the oddest, or most revealing, aspects of recent discussions about the evils of large corporations has been the total absence of even a scintilla of recognition of the incredible record of production, employment, and honesty of American business. I do not intend to cite statistics or make quantitative comparisons to other lands. I should merely like to point out that there is a growing awareness—not merely on the part of the business community but, more significantly, on the part of the electorate-at-large—that government is now threatening to kill the goose that lays the golden eggs, that government regulation of business is costing the public considerably more than it is benefiting them, and that all of this results from the seemingly insatiable desire of officials in Washington and in the states to regulate more, more, and more of the private sector.

Finally, we turn to a consideration of the actual chartering of corporations. The discussions of the consequences of state chartering occasion much less disagreement about the facts than about their significance. Throughout the last third of the 19th century and the early part of the 20th, legislatures of various states did vie with each other to attract incorporations by making the state's laws more attractive to entrepreneurs. That is, of course, precisely and exactly the process for which the Federal system of the United States was designed. The Commerce and the Full Faith and Credit clauses of the Constitution, to mention only two, guarantee that. But each state, within specified limits, is allowed to adopt its own internal regulatory laws, though these laws must not inhibit what in effect amounts to a national common market in the United States.

This open market for commerce and for laws proved the states with relatively fewer regulatory laws to be more suitable to national economic needs than those with more regulation. But there was, after all, nothing to stop any state from adopting a variety of corporate regulations, and certainly many did, continuing to this day to do so. Examples like the legalization of holding companies, voting rule requirements, qualifications for directorships, rules regarding offerings of new shares, rules regarding financial practices, and many others quickly demonstrate the variety and range of powers left to the states.

Even with its vast panoply of powerful bureaucracies, the Federal government has been unable to satisfy the demands made by would-be Federal charterers.

But, the advocates of Federal chartering point out, the corporations of one state could then cross over state lines and do business in another state without concern for its restrictive incorporation provisions. And so they may, for such is the very essence of a federal political system with a common economy. Still, erroneous inferences seem regularly to be drawn from this description. At no time has any state been prevented from exercising its authorized police powers by virtue of the "common market producing" provisions of the U.S. Con-

stitution. Any undesirable behavior by a given corporation that is properly the subject of a state's police power can be regulated or forbidden if the government of that state so decrees. Thus, states may establish rules regarding the employment practices of corporations, what they may or may not manufacture, pollution control standards, and the conditions under which securities may be sold to or bought from the citizens of that state.

But, it is alleged, these poor little states and their naive politicians are simply not up to the task of exercising the states' police powers over sophisticated giant corporate ogres. The argument is either disingenuous or dishonest. The message really seems to be impatience with states that are unreceptive to demands for whatever regulation is being popularly espoused at the moment.

But the argument is really deceptive for another reason. For who can deny that when any problem of truly national significance has been detected (and, unfortunately, in many cases where the detection seems more fictional than real), the Federal government has stepped in with its concurrent police powers to deal with the situation. Consider in this connection that mushrooming regulatory apparatus of the Securities and Exchange Commission, the Federal Trade Commission, the Antitrust Division of the Justice Department, the Internal Revenue Service, the Department of Commerce, the Interstate Commerce Commission, regulatory provisions relating to government contracts, the Federal Communications Commission, OSHA, the Environmental Protection Agency, and a vast multitude of other offices, agencies and bureaus presumably performing the kinds of tasks requested by advocates of Federal chartering.

Somehow, this request for still more Federal intervention provides perhaps the strongest argument *against* granting any additional Federal regulatory powers. For the Federal government of the United States has been unable, with this vast panoply of powerful bureaucratic organizations, to satisfy the demands now being made by would-be Federal charterers. I can see no possible reason to believe that anyone will be happier to have even more of this job-generating work for bureaucrats and members of the bar.

Actually, as so often occurs, much of the regulation presently on the books has had an impact exactly opposite to what it was supposed to accomplish, and the same thing would likely be true if regulation were extended further via Federal chartering. The explanation of this phenomenon involves a simple application, to a political marketplace, of the fundamental law of demand. When states lowered the real cost of incorporation because of the competition fomented by the federalist system, they increased the total market demand for the particular government service involved, and more incorporations occurred. However, as soon as this competition, and the resulting lower real costs, began to be inhibited by Federal regulation, like the ICC or the SEC, the cost of this same government service began to rise.

The necessary result of this process is to decrease the number of incorporated firms entering the market and therefore to diminish the very competition that lowers prices and increases production for the consumers of this country. Though we have no direct data on this subject, the analytics of the situation strongly suggest that the existence of competing state incorporation acts contributed significantly to the development of a highly competitive market system in the United States.

Thus, the centralization of this function must necessarily decrease the amount of competition in the industrial sector. If a cost-raising law, such as that proposed for Federal chartering, were to become the law of the land, there would still always be 700 largest corporations. The 701st corporation, however, would find it ill-advised to compete efficiently with the larger ones for fear that it would join their ranks and become one of them. In other words, such a law would create a number of companies operating at suboptimal size, offering less competition to larger, established companies, inhibiting their own initiative and development, and in general behaving contrary to the public's interest.

This is not a mere guess about what would happen. There is ample evidence that precisely this process has already been set in motion by our large amount of Federal regulation. To give a simple illustration, consider safety devices and emission control equipment on automobiles. Each of these devices requires an auto manufacturer to incur both a capital cost and a per-unit or variable cost. We may assume that the variable and fixed or capital cost per unit produced is about the same for large as for small companies. The larger the volume of production, however, the greater the number of units over which a company can spread its capital costs. Thus, the effect of every regulation, whether it be safety devices, securities regulation, environmental controls, labor laws, or what have you, is to some extent to make production for smaller companies more expensive per unit than for larger ones. And unit cost is the name of the game in competition.

This may, to some extent, explain why larger corporations in this country often find that they can "live with" new regulations. And in some cases they are even the most active proponents of such measures. Smaller companies may find it difficult to organize resistance to or to cope with this regulation; but, perhaps more significant, if harder to measure, are the real interests of *potential* competitors. These may even be totally unidentifiable if such costs have the effect of actually preventing new entry into a particular market. We are already in great danger of regulating corporations to the point where only large corporations can survive, a situation that is presumably the exact opposite of what proponents of Federal chartering want.

A little knowledge of the workings of our economic system, particularly by lawyers and law professors, could go a long way to counter simplistic thinking about further politicization of the private business sector. What we should really be concerned with are the problems of size and power in government as it relates to the private sector. Attention to these problems is urgently needed. ◻

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GUN CONTROL DOESN'T WORK

Don B. Kates, Jr.

To many persons, handgun prohibition provides a simple and obvious partial solution to society's remarkable capacity for producing violent people. Unfortunately, this cannot be validated by crime studies either in Britain or in the United States.

In order to purchase or possess (or both) a handgun, a permit has been required, for over 25 years, in seven American jurisdictions (Hawaii, Massachusetts, Michigan, Missouri, New York, North Carolina, and Puerto Rico; and the latter requires a permit to possess long guns also). Five different criminological studies have compared the per capita homicide and violent crime rates of these jurisdictions to those for the states that allow handguns. The conclusion of each study, based on FBI *Uniform Crime Reports* for the years 1959, 1966, 1968, 1970, and 1972-74, is: taken together, the handgun-prohibiting jurisdictions have consistently higher homicide and violence rates. (A popularized version of my own study of the latest available (1974) figures appeared in *Guns and Ammo,* December 1976. The other four studies are: "The Regulation of Firearms by the States," *Wisconsin Legislative Reference Library Report, Research Bulletin No. 130* (1960); Krug, "The Relationship between Firearms Licensing Laws and Crime Rates," *Congressional Record* 113 (1967): 20060; Snyder, "Crime Rises under Rigid Gun Control," *American Rifleman,* 1969; Dyer, "Guns, Crime, and the Law" (unpublished manuscript, 1975; Snyder, "Statistical Analyses Show Handgun Control Laws Don't Stop Homicide," *Point Blank,* July 1975.)

Stated without further elaboration, these results might seem subject to the objection that the handgun-prohibiting jurisdictions may simply be much more crime-prone than the allowing jurisdictions. Even accepting this hypothesis, however, the conclusion would inevitably follow that the violence-reducing effect of handgun prohibition has not been significant enough to overcome these demographic differences. But in fact these higher homicide and violence rates cannot be attributed to demographic differences. In demographic characteristics that we associate with high crime, the handgun-prohibiting jurisdictions, taken together, are not so different from the handgun-allowing states, taken together. Four of the handgun-prohibiting jurisdictions are comparatively rural, unurbanized, and unindustrialized. But in general, all the handgun-prohibiting states exhibit substantially higher homicide and violence rates than their demographically similar neighbors or other demographically similar states.

The most massive, extensive, and sophisticated national study ever done of gun-control potential for reducing violence was carried out under Federal funding at the University of Wisconsin in 1974-75. This computerized analysis took into account every demo-

graphic variable that was found to have any statistically significant impact upon a comparison of states with differing gun laws. With demographic bias thus absolutely nullified, the Wisconsin report finds: "The conclusion is, inevitably, that gun control laws have no individual or collective effect in reducing the rates of violent crime." (This study is published as Murray, "Handguns, Gun Control Laws, and Firearm Violence," *Social Problems,* October 1975.)

In addition, this study went beyond previous ones to examine not only the effectiveness of handgun prohibitions but their underlying theory, i.e., that the availability of handguns promotes homicide or violence. The Wisconsin study found no correlation between rates of handgun ownership and rates of homicide and violence. In other words, homicide and violence rates do not increase as rates of handgun ownership increase, nor do they decrease as rates of handgun ownership decrease.

Gun control laws have no individual or collective effect in reducing the rates of violent crime.

The Wisconsin findings also refute the "adjacent state" explanation that has greeted previous studies showing handgun-prohibiting states with higher homicide rates. This explanation postulated that state handgun prohibitions were not reducing homicide because those desiring pistols could buy them in adjacent states. But if there is no correlation between rates of handgun ownership and rates of violence or homicide, how many people have pistols or how they acquire them becomes irrelevant.

Moreover, the adjacent-state argument has always been inconsistent with the stated purposes of handgun prohibition. Sophisticated proponents of prohibition have never argued that assassins, revolutionaries, terrorists, organized criminals, or even individual habitual criminals can be disarmed. Rather, they argue that greatly reducing the rate of handgun ownership in the general population will greatly reduce homicide since most murders are committed by ordinarily law-abiding citizens in the heat of a sudden rage. But in the jurisdictions—particularly New York—which have handgun prohibitions, rates of ownership in the law-abiding populace have been radically reduced. Most *law-abiding* New Yorkers do not risk Federal and state felony charges by buying across state lines or on the black market. If the drastic reduction of handgun ownership rates in New York over 65 years has not been accompanied by a similar reduction in homicide—while no correlation is anywhere observed between high levels of handgun ownership and of homicide—handgun prohibition would seem to be irrelevant, if not downright counterproductive.

Handguns predominate in American violence, not because they are necessarily the only or the most effective of weapons, but because our culture perceives them as such. There is much criminological evidence that, in the absence of firearms, the enraged householder will prove just as deadly with any of the other lethal instruments found in abundance in our environment, although at least one study concludes that Americans are much deadlier with handguns than with knives. (California and Pennsylvania homicide studies have led some criminologists to conclude that removal of all firearms from American households would not noticeably decrease the number of domestic or acquaintance quarrels that end in death [Narloch (California Bureau of Criminal Statistics), *Criminal Homicide in California* (1960); Wolfgang, *Patterns of Criminal Homicide* (1958)]. This is disputed by Professor Zimring in "Is Gun Control Likely to Reduce Violent Killings?" *University of Chicago Law Review,* 1968. His methodology is, in turn, rejected in the Cambridge University study, Greenwood, *Firearms Controls: A Study of Armed Crime and Firearms Control in England and Wales* (1972), and Beneson, "A Controlled Look at Gun Control," *N.Y. Law Forum,* 1968.)

Americans may perform less well with knives because of purely cultural factors, particularly a hesitation to rely upon a medium that our culture does not perceive as a preeminent weapon or as one that adequately guarantees safety to the user. No such hesitation appears to afflict the violent in cultures where the knife is still regarded as the ultimate weapon in hand-to-hand combat. Mexican and Puerto Rican handgun prohibitions are very strict and are augmented by levels of poverty that make handguns virtually unavailable to vast portions of the population. Nevertheless, Puerto Rico (the only American region that also requires a permit for rifles and shotguns) had a murder rate second only to Georgia in 1974. And the Mexican knife-homicide rate was more than three times the American rate for all homicides in the last year in which figures were available.

More important, effective handgun prohibition would turn those desiring weapons, not to knives, but to long guns, which are far deadlier than either knives or handguns. How much deadlier is suggested by comparing the commonest long guns even to uncommonly powerful handguns: A 12-guage shotgun fires a slug that is more than twice the diameter and three times the weight of that of a .357 magnum—or nine pellets, each of which is comparable to a .25 handgun bullet. The common 30-30 or 30-60 hunting rifles fire bullets weighing approximately the same as a .357, but at two or three times the velocity. At these velocities a rifle bullet not only penetrates flesh and bone but creates waves of hydrostatic shock, which crush vital organs far removed from its path. Unless a rifle bullet destroys the body by tumbling end-over-end, it is far more likely to travel through, endangering others at a substantial distance beyond. Of those shot by handguns, 85 percent recover. One-third of those shot in the head or chest by San Francisco's Zebra killers—and public figures like Governor George C. Wallace, Senator John C. Stennis, Premier Hideki Tojo, and Prime Minister Hendrik Verwoerd—recovered from multiple handgun wounds in head or chest, which undoubtedly would have been fatal if inflicted with even a sawed-off long gun. (Zimring, "Gun Control," p. 728.)

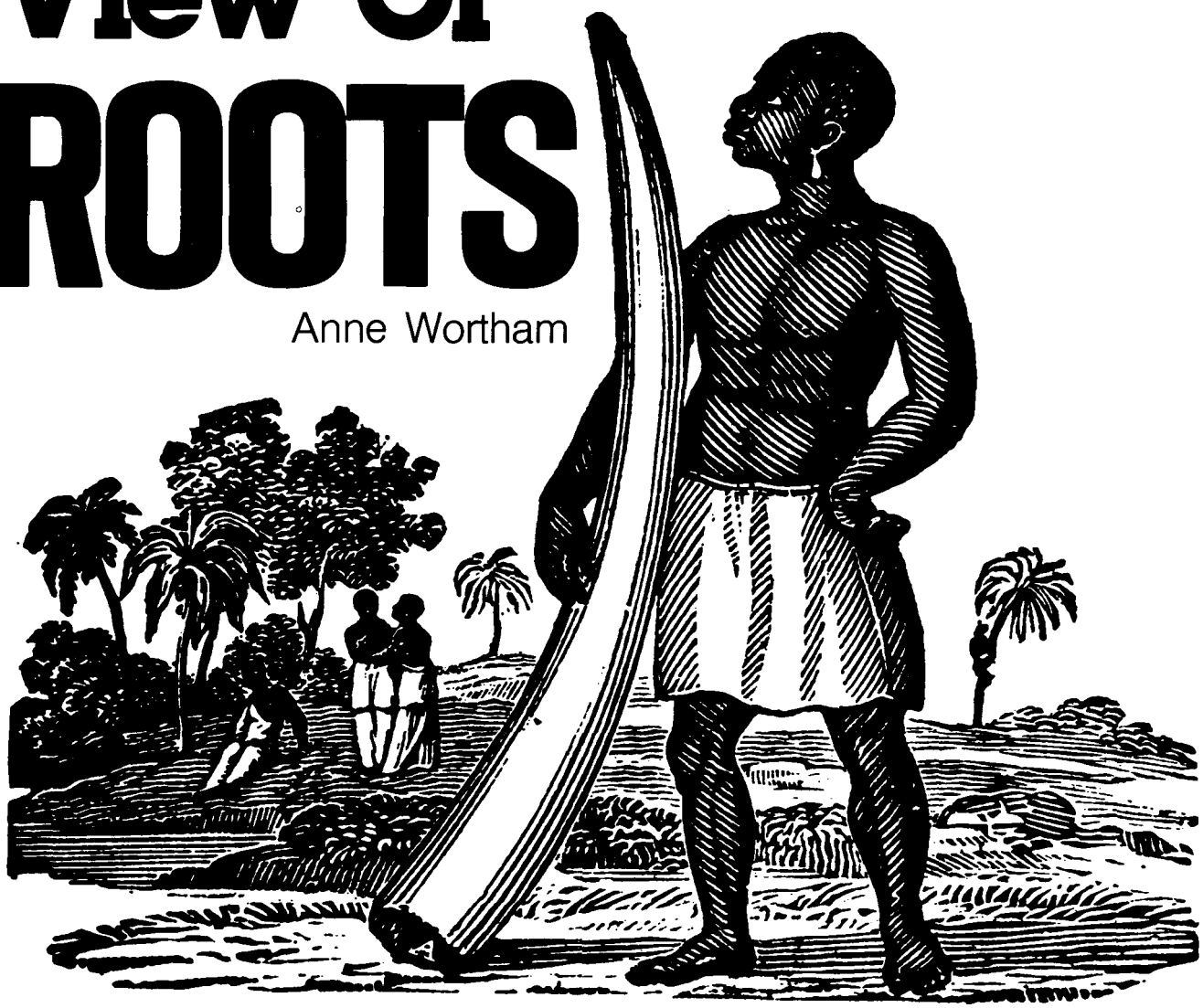
Effective handgun prohibition would turn those desiring weapons to long guns, which are far deadlier than either knives or handguns.

The only disadvantage of the long gun to prospective criminals is its lesser concealability. This may be import-

(concluded on page 37)

A Black Writer's View Of ROOTS

Anne Wortham



In a newspaper interview Alex Haley recalls a moving incident at an autograph session in a Harlem church. An elderly woman was purchasing several copies of *Roots* but obviously needed the money to buy shoes. When Haley glanced at her shoes, she looked him in the eye and said: "Son, don't mind. I'm not just buying books, I'm buying our history."

Alex Haley is a historical novelist, a popularizer of history. He may qualify as a genealogist, perhaps, but he is not a social and political historian—no more than is James Michener whose historical sagas, *Hawaii, The Source,* and *Centennial* have all been best sellers. And I think Haley was less than responsible when he failed to point this out to the woman. He owed her a disclaimer: that *Roots* is not *her* personal history, but the history of *his* ancestors seen through his eyes. He should have told her that if she wants *her* history, she'll have to write it herself. And if she wants a history of Negroes she should read John Hope Franklin's *From Slavery to Freedom,* or Herbert G. Gutman's *The Negro Family in Slavery and Freedom,* or

Eugene D. Genovese's *Roll Jordan Roll,* or Ira Berlin's *Slaves Without Masters,* and many more.

But no, Mr. Haley goes from one media interview and college lecture to another leaving the impression that he has given Negroes a great gift of history and racial identity. Americans of all races seem to have gulped down the dramatization of the novel as history as carelessly as they take "Final Days" as the factual account of the Watergate crisis, or "The Adams Chronicles" as the history of the young American nation. But the worst case of the *Roots* fever are among those Negroes who have accepted the collective racial identity presented in *Roots* as a substitute for their own self-identity and those whites who feel compelled to apologize for the sins of their ancestors.

A black psychologist appearing on a panel analyzing *Roots* said: *"Roots* gave blacks roots from which to make a personal evaluation [of their identity]." To which I say: *not this black.* Eric Severeid said the audience for *Roots* had been waiting for it for 300 years. To which I say: *not this black.* Haley has himself called the "rootlessness" of Americans an "affliction," and his philosophy is expressed with conviction by the character Kizzy when she tells her son, Chicken George, why she would not marry the slave Sam: "Sam ain't like us. Nobody ever told him where he come from so he didn't have no idea where he ought to be going." To which I say: *not so for this rootless black.*

Apparently Alex Haley has a compelling need to base his self-identity on his cultural and racial ancestors. Thus, for this and other reasons, he has written an account of his family's history and of the social times during which they lived. It is Alex Haley's story but it is not my story. Mine is the story of a singular, autonomous, unattached individual and so far it covers only 35 years. It is not my father's story which extends back over 60 years; it is not my mother's story which ended when I was nine; it isn't even my sister's story who is only three years younger than me. I share certain aspects of my story with members of my family, peers and others but its sum total belongs to me alone.

Unlike Alex Haley and other nationally- racially- or ethnically-determined people, I stand not at the end of a tradition but in the midst of an exciting life-process that is my own. The social history of my ancestors does not flow through my psyche as a domesticated animal carrying the instincts of its ancestors in its genes. I am a person and persons are self-determined individuals—even when they deny the fact and behave contrary to it. I am not some sociological construct that has stepped out of the last chapter of Alex Haley's novel. I am me—myself—and I. There has been no one like me in existence before and there will be no one like me in the future. *I* am the sculptor of my soul's spirit; *I* am the carpenter of my self-esteem; and that is my pride.

I make this statement not to deny my racial affiliation or my cultural history of the racial group of which I am a member, but to assert my own identity and individuality. I have been told that my ancestors were African, Indian, Irish and English. It's an interesting bit of information about my biological heritage but it says nothing about who I am. It would be interesting to know the life and times of those people but knowing about them has no bearing on my life and times. Knowing whether a great grandmother was raped or a great grandfather lynched isn't going to help me achieve harmonious relations with the descendants of my ancestors' persecutors, if, indeed, there were any persecutors.

I accept that wretched chapter of American history smeared, most likely, by the blood, sweat and tears of my ancestors, but it cannot teach me how to deal with the present. I am not a slave, but a free individual. My white friends and associates are not my oppressors but also free and independent individuals. When we face each other we do not confront the souls of our ancestors. When we share our lives and times we do not consult the life and times of our forefathers. We are ourselves and it is ourselves that we present to one another—the selves each of us has created. Our love and comradeship are not a contrived vignette of "race relations" in microcosm. We are not involved in some sociological game of racial appreciation. We are involved in friendship—that precious commodity of interpersonal relations that can be achieved only between individuals of like minds, values and purposes.

I once met a Polish-American possessing a hyphenated psyche whose identity was so thoroughly shaped by his Polish affiliation that I simply could not communicate with him. He was not himself but a Pole and saw his group in terms of "us" versus the rest of the world. He spoke of how he and I had something in common because we are minorities. But we had nothing in common and what separated us was not our ethnic categories, but the significance each of us places on those categories. He lives his life as a member of a minority. I live my life as a minority of one. I am always myself, period.

Unlike this Pole enslaved by his "Polishness," and unlike Alex Haley entranced by his "blackness," I am determined by my free will—*my* knowledge, *my* values, *my* perception of reality and how *I* deal with it. And this is as it should be. Entailed in man's identity is the natural imperative that he shape his identity. And when he doesn't he goes against his nature. Slavery is immoral because it is unnatural; and collective identity is irrational because it is unnatural. Both defile man's natural identity and negate the laws of reality. The only answer to slavery and discrimination is individualism, not Kunta Kinte's tribalism, not Alex Haley's familism.

In the end, it was not the tribalism of Kunta Kinte that enabled Haley's family to triumph over slavery but the ingenuity, skill, tenacity, courage and sense of humor of Chicken George—an individual. And this is how it has always been. Individuals have kept man civilized—not races, tribes, nations, or families. But in their rush to stalk the graveyards of their genealogical past, Americans take flight from the present and from themselves, abandoning this hard-won moment in modern times to the primitivism of whatever ethnic gang manages to impose its will on the rest of us. It happens today when individuals are sacrificed to quotas and thus shaming everything the slaves—*and* white abolitionists—struggled so hard for. ◻

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Murray Rothbard on "Defending the Undefendable"

The February issue of Reason *contained a highly critical review by Sharon Presley of Walter Block's book* Defending the Undefendable.
To ensure Reason's *readers of an alternative viewpoint, the following article by Murray N. Rothbard is reprinted—in full—from* Libertarian Forum.

I must confess to a degree of astonishment at the range and depth of the emotional hostility to Walter Block's excellent new book, *Defending the Undefendable*— in libertarian circles. In his book, Block takes the libertarian position and applies it, with lucidity, logic, and wit, to the "hard" and extreme cases, thereby forcing the reader to widen and deepen his understanding of libertarian principles. After all, it doesn't take any truly radical or consistent spirit for someone to favor legalizing the activities of the natural gas producer or the steel manufacturer, and to see why his activities, left unhampered by government, benefit the consumers. *Anyone,* even President Ford, can see why the airlines or railroads should be deregulated and left to the free market. But the blackmailer, the libeller, the dishonest cop, the pimp, the curmudgeon, etc? Here, support for their activities comes a lot harder. As I wrote in my introduction to the Block book:

> "These case studies also have considerable shock value. By relentlessly taking up one 'extreme' case after another that is generally guaranteed to shock the sensibilities of the reader, Professor Block forces the reader to think, to rethink his initial knee-jerk emotional responses, and to gain a new and far sounder appreciation of economic theory and of the virtues and operations of the free market economy. Even many readers who now *think* they believe in a free market must now be prepared to grasp fully the logical implications of a belief in a free economy. This book will be an exciting and shocking adventure for most readers, even for those who believe that they are already converted to the merits of the free market economy."

Judging from the outraged responses to the Block book in many libertarian quarters, apparently many of "our people" are not ready for this exciting and shocking adventure. Since libertarians are, or are supposed to be, on the forefront of thought, since their whole lives have been an intellectual adventure in many ways, the hostility to the Block book becomes even more mysterious. In contrast to so many of our radical and hard-core libertarians who balk at Block, let us consider the commentary on the book published in its pages by F. A. Hayek, a distinguished free-market economist who has never been known either as a flaming radical or as a daringly consistent libertarian. Hayek writes: "Looking through *Defending the Undefendable* made me feel that I was once more exposed to the shock therapy by which, more than fifty years ago, the late Ludwig von Mises converted me to a consistent free market position. Even now I am occasionally at first incredulous and feel that 'this is going too far', but usually find in the end that you (Block) are right. Some may find it too strong a medicine but it will do them good even if they hate it." If F. A. Hayek can show himself willing to rethink his premises and apply libertarianism consistently and "extremely" in his late seventies, this points up even more starkly and ironically the stodgy and conservative (in the bad sense) habit of mind that seems to be endemic among libertarians who are less than half his age. Apparently, the young at heart is not a matter of chronology.

Before dealing with the specific critical reviews of the Block book by libertarians, we may treat two general themes that appear in them all, as well as in oral criticisms of the book. Why is block defending, they want to know, what they often refer to as "the scum of the earth"? Apart from the general answer that the occupations that Block is treating (a) *should* be legal, as voluntary acts between consenting adults, and (b) provide productive services to the consumers on the market, we come to the highly loaded term "scum of the earth". *Are* the prostitute, the pimp, the drug addict, the dishonest cop, etc. *really* the "scum of the earth"? This is a pretty drastic social label to apply to a whole category of occupations, and it seems to me incumbent on the "scum" labellers to prove these wild-swinging charges. *Why* are they the scum of the earth (if, indeed, this term itself can be rationally defined), and on what ethical theory are they so dismissed? So far, none of the Block critics has come up with any ethical theory to justify this label.

The other major cavil is at Block's use of the term "hero" to apply to these occupations. As Block, I believe makes clear in his book, he applies the term "hero" to these "scum" because (a) they are engaging in activities that supply desired services on the free market, activities which *should* be legal; *and* (b) they persist in doing so despite social obloquy and outlawry or suppression at the hands of the State. As Block writes in a letter defending his use of the "hero" concept: "there is nothing *intrinsically* heroic about the grocer who earns a profit. There are no popular songs extolling his virtues. Nor is the grocer the subject of any great epic poems. Nevertheless, when the totalitarian state prohibits 'speculation' in food, in cases of shortages or famines, it is easy to show that the ordinary profit-earning grocer can be a hero. . . . I admit that no one but a libertarian would consider the food speculator 'heroic.' But this is not, I maintain, because of a misuse of the word. It is because only a libertarian could combine an economic analysis showing the beneficial effects of speculation with a *moral* analysis defending the full rights of voluntary free trade."

And even if we turn to the non-libertarian *Webster's*, we find one of its definitions of "hero" that is relevant to Block's usage: "a person of distinguished valor or enterprise in danger, or fortitude in suffering"—which can surely apply to Block's case studies, and which says nothing about the intrinsic nobility or epic nature of the enterprise itself.

I hasten to add that I am not at all opposed to sharp intellectual debate within the libertarian movement. On the contrary, one of the reasons for the moribund nature of the conservative movement is that conservative intellectuals have tended to engage in logrolling and back-slapping to the point where important intellectal differences are slurred and papered over, in the name of a phony "unity" against the foe—as a result, intellectual issues never get defined and theory never gets advanced. The rare importance of the late Frank Meyer to conservative intellectual circles for twenty years was the fact that he, almost alone, was willing to engage in such important debates, and often against close personal friends; hence, the fame of the Meyer-Burnham, Meyer-Bozell, Meyer-Kirk, etc. debates—debates that became famous partially because *any* intellectual argument has been so rare in conservative circles. So it is not the *fact* of the storm of criticism against the Block book that I deplore, but rather that the criticism is so wrong-headed.

"In his book, Block takes the libertarian position and applies it, with lucidity, logic, and wit, to the 'hard' and extreme cases, thereby forcing the reader to widen and deepen his understanding of libertarian principles."

There is, furthermore, a double-standard that is often at work in these attacks. For libertarians, too, have tended to log-roll and to "accentuate the positive" in book reviews—a very human tendency in an embattled movement, to be sure—so that sometimes one had the feeling that *anyone* who writes a book devoted to "freedom, man, is groovy", is assured rave reviews in much of the libertarian media. But, all of a sudden, with the appearance of the Block book, standards are sharply raised, and every aspect is considered with a caustic eye.

Let us now turn to some of the detailed reviews in the libertarian press. Jim Davidson, in *Libertarian Review* (July-August, 1976) has three basic criticisms which he pursues at length. First is the hero definition, where Davidson asserts that classically "hero" meant "a man of superhuman strength of ability who was favored by the gods", who even "was like a god." Well, sure, but usage has changed since Homer's day, and Block's definition, as I have pointed out above, comes within the rubric of modern usage combined with libertarian and free-market economic insight. Surely, Block would agree that the pimp, etc. is not a Homeric hero.

Secondly, Davidson maintains that the Block book is not a "work of art", does not come close, for example, to George Bernard Shaw. No doubt; but if we start applying such high stylistic standards to every libertarian book, or indeed to *any* book at all in this century, we would have to burn all the libraries. Block's style is readable, lucid, and interesting; to demand any more in this day and age is to be Utopian in the unfortunate sense.

Thirdly, Davidson criticizes Block for not enriching his logic with examples, anecdotes, and a critique of modern and classical legal theories. Here, I think Davidson has also raised an unrealistic standard, and is really saying that if *he* had written the book, it would have been done differently. Walter Block's forte is logical analysis rather than empirical anecdote; he is a formidable libertarian and economic theorist rather than an historian or legal critic. We can't demand that everyone know everything for a book to be valuable. In a sense, it is as if Mises' *Human Action* is to be criticized for not having enough historical examples, for being pure theory. The book should be weighed on its own grounds, and logic and sound theory are surely not in such superabundant supply that we can dismiss it on this sort of grounds.

Laissez-Faire Books considered the Block book so controversial that two contrasting reviews are offered (Summer, 1976). Roy Childs' favorable review is excellent, even though space considerations necessarily make it all too brief. Childs commends the book as "challenging, brilliant, relentlessly argued", as "shocking, audacious, and awfully funny"; and as taking "seriously Ayn Rand's dictum that one should be willing to defend the

"It is not the fact of the storm of criticism against the Block book that I deplore, but rather that the criticism is so wrong-headed."

least attractive instance of a principle, and has done precisely that." Childs, too, criticizes Block's use of the term "heroic" because "what we mean by 'heroic' includes great or important values being at stake". Again, not necessarily; it is certainly permissible to take as "heroic" the *formal* struggling for whatever a person's goals may be, against great odds, and against State outlawry. Words do not have only one definition.

Sharon Presley's con review in *Laissez-Faire Books* I must simply pass over as an embarrassment. In addition to the now familiar charges about the word "hero" and accusing Block of not being as witty as H. L. Mencken, Miss Presley engages in hysterical verbal overkill. For example, she repeatedly attacks the book as "an affront to human dignity". Since Block is trying to rescue the dignity of his much-maligned "rogues", the term is rationally incomprehensible as applied to the book.

We turn now to the most substantial critique of the Block book that has yet appeared, that of Walter E. Grinder in his column in *Libertarian Review* (September-October 1976). Grinder writes that he is "extremely ambivalent" about the book; he is in "full agreement" with Block's basic thesis; the book is "ideologically sound", and even highly "important" and "seminal." And yet? Grinder has two basic objections. First, while he understands and even agrees with Block's use of the term "hero", that Block is defending "the very scum of the earth". Again, Grinder offers no ethical theory in defense of this serious charge. Perhaps a clue is Grinder's reference to "low-character, high-risk people who would likely fill any nonlegal...professions..." There is no question about the fact that non-legal occupations tend to attract a penumbra of what libertarians would consider *real* criminals: thieves, muggers, etc., since *all* have been placed unjustly in the same "criminal" boat by the State. But surely the way out of this is, as Grinder recognizes, to remove the stain of illegality, and thereby withdraw the criminal penumbra from all these useful but now illegal or suppressed activities. Besides, even unesthetic people can take on the character of "hero" if they determinedly and therefore heroically persist in legitimate activities that are treated as illegal by the State.

But Grinder's basic objection, as he points out, is strategic. He is worried that "defending the dregs" of society is a "short-run strategic disaster" (a point that Presley also seems to be making). In the *long-run,* however, Grinder is optimistic about the Block book, because even though "it will not play well in Peoria", "it will surely lead other scholars to take up each point raised by Block and set it into legal and historical perspective." But, for now, says Grinder, "this is the wrong book at the wrong time." I think the problem here is Grinder's evaluating a *book* as being strategic or un-strategic. Books are, or should be, timeless, and should be written for their truth value; the true writer or scholar should not give a damn whether his book will "play in Peoria." Where strategy or tactics come in is the *use* any given individual makes of any book. Block's book could possibly be *used* in a counter-productive strategic manner; but so also could *any* book, including Nock, Mises, Hayek, or what have you.

"Block reports that he has had a far greater success in converting his students to libertarianism via *Defending the Undefendable* . . . than he did in all of his previous years of teaching, and of recommending more cautious and sober libertarian works."

For example, suppose that someone comes to me who knows nothing at all of economics, and wants me to advise him what book to read first. For me to recommend Mises' *Human Action* or Hayek's *Prices and Production* would be strategic folly, because the person in question would undoubtedly be confused by the whole matter, and drop the subject for good and all. Instead, one recommends to the neophyte, say, Hazlitt's *Economics In One Lesson,* and other elementary books, and then works one's way up to the more advanced and complex material. This, indeed, is true of any course of study. Yet, if I were to recommend the "wrong book at the wrong time" to this person, the fault would not be Mises' or Hayek's but mine, for failing to gauge properly the level of comprehension of this person at the present time. To require that a *book* be strategic instead of an individual's *use* of that book in any given situation, verges on thought control and the suppression of scholarship and is, to boot, *itself* a bad strategic mistake.

Furthermore, it is by no means always true that intellectual "shock treatment", such as offered by the Block book, is counter-productive. It worked on Hayek, and it works on others as well. Block reports that he has had a far greater success in converting his students to libertarianism via *Defending the Undefendable*—via this seemingly counter-productive "shock treatment"—than he did in all of his previous years of teaching, and of recommending more cautious and sober libertarian works. Students, in particular, often admire consistency and "extremism" in the defense of any cause, including liberty. Extremism is not only consistent, it is also exciting, whereas more cautious and gradualist works may well put these eager, budding students to sleep. Liberty, after all, is and should be exciting, and not another typical academic exercise in bordeom. In short, "shock treatment" will work for some, and not for others, and both approaches are fine, depending upon the individuals in question. In the 1930's, many people were converted to Communism by the gradual route, through an escalating series of front groups; but *others* were converted all at once, by the seeming grandeur and consistency of the open Communist position. Are *we* to deny that rapid and exhilarating route to budding libertarians?

In a letter defending his book, Block points out that whether or not it will "play in Peoria", the most hostile attacks on the books have so far come, not from "Peorians" but from libertarians. It is a fair comment. Strategy and tactics are important; but let us not become so concerned with the opinion of others, so other-directed, that we begin to discourage and stifle our best libertarian writing and scholarship in the name of how we *think* other people are going to react. The great glory of libertarianism is that we must follow our libertarian star and let the chips fall where they may; if we ever forget this primordial fact, we shall be in trouble indeed.

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CHALLENGE FROM A SOCIAL DEMOCRAT:

An Interview with Sidney Hook

By Tibor Machan and Davis Keeler

In the fall of 1970, at a political philosophy conference, I first met Professor Sidney Hook. One night several of us found ourselves in a lengthy intellectual battle with him. There was no question that Professor Hook was prepared for a number of the points we advanced in support of political liberty. Last year, as a national fellow at the Hoover Institution, I again had the opportunity to meet with Dr. Hook, who is a senior research fellow at Hoover. It was especially noteworthy that although many of the other scholars at Hoover could be described as free-market or libertarian, I found Dr. Hook far more understanding and appreciative of the political and social issues involved, despite the fact that he does not share my particular views on those issues.

In view of Dr. Hook's familiarity with Objectivism and libertarianism and his life-long concern with political matters, and because he is on record as a supporter of human reason in human affairs, we thought it would be valuable to interview him for REASON. I, along with Davis Keeler, director of the Law and Liberty Project in Menlo Park, California, visited him in his office one afternoon, and the result is this issue's interview.

Sidney Hook was born 76 years ago. An energetic man and scholar, who still writes prolifically, he was a student during the intellectually and politically tumultuous 1920's. He earned his master's and doctorate from Columbia University under the guidance of John Dewey, James Montague, and the famous Aristotelian philosopher Frederick Woodbridge. He was a pragmatist from his early school days on, but with a difference from his mentors, needless to say. Later he spent time abroad, including in Moscow at the Marx-Engels Institute, pursuing his "interest in the theory and practice of the working class movement." Some of the results of his work include books on Marxist philosophy such as Towards the Understanding of Karl Marx: A Revolutionary Interpretation *(1933), which challenged the orthodox (Soviet) interpretation of Marx way before the currently faddish humanistic Marxism spread throughout the West. Hook was an early critic of Stalin and took it on the chin, as it were, from many of the notorious "dupes" who embraced Stalin up to and even after the Stalin-Hitler pact. Hook's commitment to democracy overshadowed his socialism, so that in a review of his* Reason, Social Myths and Democracy *(1940) the* Nation *observed that, in his assessment of Marxism, Hook was "moving from heresy to apostasy."*

There is no room here to list the numerous books Sidney Hook has written and edited during the last 50 years. In addition, he has contributed widely to popular forums and to scholarly journals. Always antidoctrinaire, Hook never quite became the leader of any radical group or political movement, and his pragmatic commitment to openness, the possibility of error, the need for critical self-scrutiny, has led him to oppose some of the positions and actions taken by those who might otherwise have been thought his intellectual and political companions. Indeed, he has been accused of lending the establishment too much respectability, especially in connection with his firm opposition to the spread of Soviet Communism and his support of a strong American defense posture.

REASON readers can see for themselves the way Dr. Hook approaches many of the crucial issues of our (or any) time, although to gain a clear understanding of his ideas it would certainly be necessary to pursue his thought far beyond the confines of this interview. The questions taken up

here perhaps receive their fullest treatment in his Pragmatism and the Tragic Sense of Life *(1975).*

Tibor R. Machan

REASON: Dr. Hook, thank you for the privilege of interviewing you. As you may know, REASON is edited and read by individuals who consider themselves consistent supporters of a free society. This will explain the direction of many of our questions. Nevertheless, we encourage the exchange of ideas with serious advocates of other positions as well as critics. First we would like to ask you about your political views. You are widely known as a socialist, but also as an advocate of democracy. How do these come together in your political views?

HOOK: Democracy as a way of life entails the rights of an individual to all the freedoms of the Bill of Rights, and possession of those things or properties which we normally assume further the expression of one's personality—the right to acquire a home, a piece of land, and other forms of personal property. But with respect to property I make a distinction which probably will create uneasiness among some of your readers. I distinguish between personal properties and public properties, and it is only with respect to the latter that I want to introduce some control over means of production.

REASON: What do you mean by public properties?

HOOK: Let me illustrate the distinction in this way. I believe that each individual is entitled by his efforts to own a home and land. But suppose someone acquires a vast tract of land in an area or society in which no other land is available—which could soon be the case in this country—and the only way other human beings can earn a livelihood is by working that land. If it is necessary to work that land to stay alive, and if property, adequately defined, implies the right and power to exclude others from the use of what is owned, then, I would argue, the right to such kinds of property is tantamount to giving the owner a right over the very lives of other individuals who must use that property to stay alive. When that is the situation, it is morally legitimate to introduce some social control. Analogously, if the owner of a factory that provides the sole employment in a town decides to close it down because he can make more profit elsewhere, in the absence of other opportunities of employment, the community should provide some form of unemployment insurance for those able and willing to work.

I do not contrast property rights with human rights. Property is a human right; but since no right is absolute, it must sometimes yield to other, overriding moral rights. My desire to enhance human freedom will lead me under certain circumstances to introduce some control on public property.

REASON: You prefaced this example with an assumption about the economic situation—*if* the people could live only by being able to work on that land. I take it that you would entertain a factual demonstration to the effect that everyone would in fact be better off if one person had the ability to exclude others from the land.

HOOK: Yes. I'm glad you raise the question. I must confess that I've taken my economic history for granted. I was very much impressed by an argument—I don't know how valid the evidence is—made by one of my colleagues at Hoover, Dr. Robert Hessen, some years ago. He asserted that despite the hardships resulting from the industrial revolution, which we were all brought up to regard as unmitigated evils, the only historical alternative to the factory system at the time was

mass starvation. If that was truly the case, then it seems to me that on moral grounds we would have to accept the factory system as the lesser evil. But not all the evils of the factory system were necessary to its continuance.

REASON: But either result is compatible with your philosophy, based on examination of the facts?

HOOK: Yes. I am open always to the *empirical* argument that if you want to further the maximum welfare of the community, then recognition of unrestricted property rights will result in the most equitable economic system. But the relevant historical evidence, it seems to me, points the other way. But if under an unregulated free-enterprise system, the personal and social needs that are involved in the free development of personality can be met, then the government should act only as an umpire. Even then it's very complicated: for purposes of defense—in a hostile world—and to pro-

vide equal opportunities, the government may have to go beyond this role.

REASON: Let's go back to something else. You said at the beginning that a democratic society is one which would enable a person to develop to his fullest potential as a human being. Now, what do you mean by "as a human being"?

HOOK: In some of my books I have indicated what those qualities are which define a human being. I can't elaborate here, but briefly, when I speak of developing oneself to the full stature of one's personality, I'm assuming that there are certain qualities that human beings possess potentially which can be brought to actuality—intelligence, imagination, courage, capacity for empathetic identification, sensitiveness, capacity for friendship, etc. A democratic society as I understand it, in the moral not strictly political sense, is one whose institutions make it possible for all members of that society to enjoy equal opportunity to develop those powers within themselves that further these values, exercised in such a way that they don't interfere with the similar exercise on the part of others. Equality of opportunity to develop these powers is the only sense in which I accept equality. I do not believe in equality of results or in egalitarianism.

REASON: So your conception of rights is based on the rights that a person should have in order to develop as a human?

HOOK: Yes. In fact, to put it more provocatively, I maintain that people do not possess any natural rights in the way in which they possess physical or mental identifiable characteristics. To me, natural rights, human rights, are morally justifiable claims that, on the basis of reflection, we think human beings *should* have. They do not exist in *rerum natura*. They are social. And they are normative. The greatest difficulty in moral life is not enumerating the rights and values that should be part of our moral economy but in determining what choice we should make when these rights and values conflict.

REASON: In that case, isn't it a problem for you to maintain, as you do, the high priority of reasonableness, or rationality? If goals almost invariably conflict, if there's always a whole host of almost equally weighty goals to pursue, how could anybody be rational about his conduct?

HOOK: In the following way. When there is a conflict between right and right, I believe we should further that right whose consequences support more effectively the structure of all the other rights to which we are reflectively committed. To give you an illustration, when freedom of the press conflicts with a person's right to a fair trial I ask: what would be the consequences of permitting freedom of the press to take precedence. In most cases with which I am familiar, I would be prepared to argue that the consequences would be to increase the dangers of gross injustice in the community. Human beings would be tried in the headlines of newspapers. A form of lynch law would prevail. On the other hand, if the press were to be prevented from discussing the case while it was being tried—if it were *temporarily* curbed in the interest of a fair trial, as in England—I do not fear that this would have a chilling effect upon freedom of expression with respect to public issues. When newsmen protest that the people have an absolute right to know, they change their tune as soon as the courts or citizens demand that the newsman reveal his sources.

REASON: Perhaps we could touch on a related topic. You've written about the need to balance the rights of the criminal with the rights of the victim.

HOOK: Yes, I've been very much concerned lately with the rights of the victim. The Anglo-American legal system, for a number of historical reasons, has developed a strong hedge of protection around people who have committed crimes or have been accused of crimes. And I find no objection on moral grounds to safeguarding the rights of the defendant, since we should lean over backward to avoid miscarriage of justice. But in a period in which there has been a tremendous increase in crimes of violence, of brutal, degrading, and gratuitous violence, I have come to the following view: As a potential criminal—since I agree with both Goethe and Tolstoy that there's no crime that we cannot conceive ourselves committing under some extreme circumstances—as a potential criminal, I would like to have all of these protections developed and cherished. But today as a potential victim of crime, I want my rights as a victim protected, my right not to be assaulted, not to be mugged, not to be killed. Now I myself am prepared to trade in or to mitigate some of my rights as a potential criminal in order to strengthen more than they exist today my rights as a potential victim. Since the likelihood of my becoming a victim, at a time when courts release or fail to convict individuals with records of past violence, is far greater than the likelihood of my becoming a criminal, it is only common sense to reorder the priorities and reorient our jurisprudence and philosophy of law.

REASON: Let's turn briefly to some traditional questions that our readers would be interested in. You are known throughout the world as both a pragmatist and a Marxist. In what sense are you a Marxist? Especially after these discussions, it would be interesting to see what the Marxism is here.

HOOK: Excuse me for making reference to my most recent book, *Revolution, Reform, and Social Justice.*

REASON: That's perfectly fine.

HOOK: In the first chapter, which is entitled 'From Scientific Socialism to Mythology," I maintain that if Marx were alive today he would not subscribe to all of the views he held in the past. If one claims to be scientific, one must be prepared to modify his views in light of experience, particularly if he has empirical, historical views and believes with Engels that "the proof of the pudding is in the eating." Were he

alive Marx would have to acknowledge the falsity of his predictions of the breakdown of capitalism, the increasing misery of the proletariat, and the advent of socialism in the advanced industrial nations of the West. Where Marx went wrong, I would maintain, was in underestimating the reciprocal influence of the *political democratic process on the economic system, on* the mode of economic production. Today I no longer call myself a Marxist because of my heretical conception of Marxism. Were I to do so, it would mean that I was the only Marxist left in the world, and that's a little too much for my sense of humor. If you ask a physicist today what his beliefs are, he doesn't call himself a Newtonian although he recognizes Newton's contributions. A biologist does not call himself a Darwinian. It seems to me that any contribution that Marx has made to sociology has been accepted independently of Marx's political program, which is something else again. Marx's historical approach is recognized to the extent to which we understand that the alternatives we face in our social and political choices depend upon the maturity of the mode of economic production.

REASON: A lot of people on the left or new left maintain that Sidney Hook, who used to be a great leader in the left in the United States, has become a conservative, and you maintain that it's quite the opposite—they have changed their position.

HOOK: Well, I would not put it like that. I would hate to admit to having lived 74 years in this world without having learned something new and abandoned inadequate ideas. I must confess that in the thirties, there were two things that played a decisive role in my thinking. First was the fear of Fascism. I saw Nazism developing when I lived in Germany in 1928 and 1929. I predicted to my German socialist friends that the nationalist appeal of the Nazis would attract a great mass following, but my views were pooh-poohed. Practically every group left of center, as if they were plagiarizing each other, said that Hitler was finished in '23. But after I returned to the U.S. Hitler's party in 1930 elected 90 members to the Reichstag. We had the Great Depression in this country, and although personally I did not suffer much from it, I was acutely aware of the 16 million unemployed and the widespread misery. There did not seem to be any way out of the impasse, whatever the causes may have been. After all, to most of us, 1929 seemed to be the heyday of free enterprise and the crash seemed to be the death knell of capitalism.

With respect to Fascism, we assumed that the Soviet Union would fight Hitler. We also assumed that the Soviet Union would move toward a more humane society. Instead, our dream turned into a nightmare. As soon as Hitler came to power in 1933—I had always been unorthodox as a Marxist and critical of the Communist Party line—I realized that Stalin's theory of social fascism had been instrumental in Hitler's success. I turned very strongly against the Communist Party and all its works. It was clearly subordinating the working class and socialist movement of the world to the national interests of the Soviet Union. Then came the Moscow Trials. I helped organize the John Dewey Commission of Inquiry which conclusively established that these trials were elaborate frame-ups. What Solzhenitsyn discovered in the fifties we already knew in the thirties, but we did not have the eloquence to persuade the world.

The welfare state, anticipated by neither Adam Smith nor Karl Marx, emerged. I began to see that there were ways of achieving what I regarded as the good society that made the democratic process itself central. Since then I have regarded myself primarily as a democrat, and I support only socialist measures that I believe will strengthen the democratic way of life.

REASON: Isn't there a problem there, in that socialist measures, because they depend upon control of people's lives, pose a direct threat to democracy?

HOOK: I must admit that I have become increasingly skeptical of centralized government control. Perhaps the greatest challenge to my socialism has come from the observation of what bureaucrats can do with respect to university life with guide lines that distort the original principle of affirmative action. Initially this outlawed all discrimination on grounds of race, religion, sex, or national origin. When I saw how the bureaucrats, aided by academic timidity, transformed it into a mandate for reverse discrimination and a quota system, and when I realized that these rulings were not derived from laws passed by the Congress but were decrees interpreted and enforced by bureaucrats, it gave me an intellectual and emotional shock from which I have not completely recovered. Now I look very hard at government programs in order to see if they are properly authorized and controlled by legislative authority.

REASON: So how would you now characterize your political position?

HOOK: I try to be problem-oriented. I would like to take problems one at a time, aiming for piecemeal solutions, recognizing that some pieces can be larger than others. Today the issue, as I see it, is not between capitalism or socialism. Rather it is the freedom *to choose* whether to live under one or the other, or more accurately, to have more or less of one or the other. Nor is the issue, as Solzhenitsyn puts it, between religious belief or irreligion as a foundation of social change. Here the only relevant issue is the freedom of religious belief or disbelief. Similarly,

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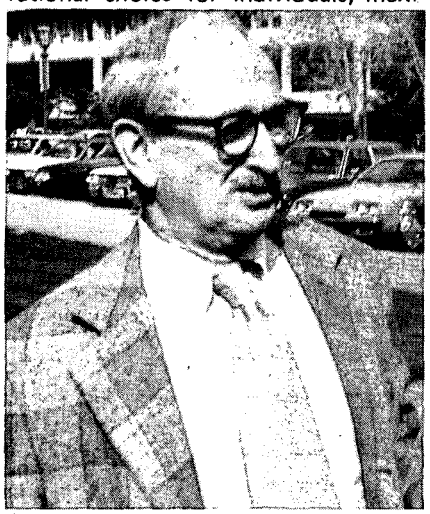
the issue is not materialism or any other kind of philosophy, but whether human beings should have the right to choose for themselves, without state coercion of any kind, the philosophy under which to live. For me freedom comes first, the freedom of intelligent, rational choice for individuals, maxi-



mized as much as possible. It is for this that I am prepared to die if necessary rather than for any set of economic arrangements.

REASON: Do you believe that the threat of the Soviet Union to the kind of society that you would like to see in this country is a substantial one, that it justifies a substantial national defense establishment, a military draft, foreign intervention?

HOOK: If there's one thing that I have studied carefully and closely, it is the theory and practice of communism.

REASON: By this you mean Bolshevism, or current Communism. You don't mean the term in the sense in which Marx used it?

HOOK: Oh no, right, I'm talking about Bolshevik Leninism. I do not believe that ideology is everything in this world, but because it is not everything it is not nothing. I still believe that the Soviet Union is a potentially expansive power. The Soviet Union has never ceased waging the cold war. I am profoundly convinced on the basis of my study of their philosophy that the leaders of the Soviet Union will never engage in a war they are uncertain of winning. Their philosophy of history commits them to a position according to which if they go down to defeat that would be the height of meaninglessness and absurdity. They worship at the altar of history. History is their god. They also are convinced that the West is going to collapse by its own immanent processes. Why, then, should they risk anything by war unless they are sure to win it? I conclude therefore that as long as the West—which basically means the United States—remains militarily and psychologically strong enough to make it uncertain that the Soviet Union will win, there will be no war. I am today rather worried about the American government's military position. I am even more worried about public psychology moulded by press and media which seems to be unaware of, or indifferent to, the growing Soviet and Communist influence in Europe and other areas of the world.

The great danger in the U.S. and Western Europe is that questions of foreign policy are often sacrificed to party politics, that some thoughtless politicians are more interested in playing domestic political football than in devising prudent foreign policies.

REASON: Do you really think that this is simply party politics, or does it reflect some general lack of will to resist communism? Solzhenitsyn, for instance, argues that the West has a failure of philosophical nerve, a failure to appreciate the righteousness of its cause and so cannot come out and flatly declare that communism is evil.

HOOK: I would agree with his diagnosis but not his proposed remedy—a return to supernaturalism.

I'm closer to Sakharov than to Solzhenitsyn in my world view. I cannot share the latter's religious *Weltanschauung* because logically and historically it is compatible with different societies—free and unfree, open and closed. Sakharov's position is more sympathetic to me. Like his, my objections are not so much to the collectivist economy existing in the Soviet Union but to the absence of democracy, to the fact that the economy is forcibly imposed.

REASON: You say you do not object to the collectivist economy if they want it. But isn't the very nature of a collectivist economy such that it *requires* agreement to it? There is no way to opt out. It's the big commune. There is no little share you can take out with you and resist the pressure of the collective. So in a way—and many economists in the Soviet Bloc realize this—the moment they let their economy get a little bit more free, they will become more free politically. Yet you want to separate these two freedoms?

HOOK: I am grateful you have asked this question. It gives me an opportunity to make my position clearer. One of the reasons I'm in favor of a mixed economy—why I call myself, sometimes to provoke others, "a democratic socialist"—is that I recognize that a totally collectivized economy has the *potential* of being the most formidable instrument of oppression in all human history.

One might argue that a community could have a largely collectivized economy and yet preserve democratic freedoms by holding out material and other inducements to get labor to go voluntarily where it is needed, without illegal compulsion, without terror. I am highly skeptical of that and prefer the mixed economy of the welfare state. But if the Russian peoples had the right to choose the kind of economy they wanted to live under, I would respect their decision even if I disagreed with its wisdom. They would be exercising their choice between a society with a potential danger of dictatorship and one that promised a healthy, pluralistic democracy. If a people were given a free choice and they decided freely to accept Bolshevik Leninism or any other variety of totalitarianism, then I would give up my faith in *political* democracy—but not in freedom.

REASON: But the trouble is, "the people" is not one person voting yes or no. The people is usually several million of them. Fifty-one or more percent vote yes, and the rest vote no. And when a dictator receives the yes votes, those who voted no usually have their heads chopped off. They're not asked to secede. They're not asked to leave the country or given a goodbye check or party or whatever. Their heads are chopped off. So the whole idea of democratically voting in a dictator does in fact seem to have the very logical problems that you maintain it doesn't. Perhaps that's what you're getting at when you say you'd lose your faith in democracy.

HOOK: Well, first let me say that although I believe in democracy, I don't believe it is valid or feasible in all possible historical circumstances. After all, a large family with small children cannot really be organized along democratic lines. A necessary condition, not a sufficient but a necessary condition, of democracy is majority rule. Lincoln pointed out that it is unlikely that a functioning democracy will elect a dictator. Even Hitler did not have a majority vote of the population. The Bolsheviks did not have a majority. Mussolini did not have a majority. Some people say that if you socialize your economy a necessary consequence of that will be the destruction of political democracy, but we must remember that historically it was the other way around in every country in which the economy was socialized. *First* political democracy

was destroyed, only then was a collectivized economy introduced. But now, to go back to the unlikely situation where a truly free election results in a majority vote for a dictatorship—I would find myself at war with that society or with its majority.

REASON: Because you have a higher value, which is freedom?

HOOK: Yes. I hate to paraphrase Churchill, for it's been done so often, but historically, democracy is the worst possible form of government except for all the others that have been tried. Therefore, I repeat, were a Hitler or a Stalin to be elected to office through a *genuinely* democratic process, I would surrender my belief in such a political process and opt for some Platonic variant of society in which knowledge and wisdom and love of intellectual freedom were the qualifications for rule.

REASON: You know, democracy may be a rule for making social choices, but it does not tell what choices are social choices. It may be that having dictatorship or democracy is not a proper area for the majority to decide for a society.

HOOK: I disagree. We can determine what a social choice is before we determine what the *right* social choice is. Even though I can't draw absolute lines of separation, I should like to preserve and enlarge an area of life beyond the social and political. To me, a good society is one in which man does not suffer on the plane of the pitiful, but, if suffer he must, on the plane of the tragic.

I grew up in a society where many people went hungry and cold in the winter, and fried, a little less hungry, in their tenements in the summer. I thought their suffering was meaningless and socially unnecessary. I never deluded myself, as so many socialists did, that all the other forms of human unhappiness derived from the afflictions of poverty. Very many of the people I know in our affluent society are fundamentally unhappy, some really miserable—but they are not suffering from material want. They suffer from the disproportion between their ambitions and their talents, because they're unhappy in love, because they're frustrated in the pursuit of an ideal, because of an injustice that has been done them in their profession—a promotion denied, a recognition postponed, even when it doesn't make a dollars-and-cents difference. This tragic dimension in life seems to me to be inescapable.

REASON: Isn't it a threat to democracy when groups of people ask the democratic process to somehow bring about a solution to what you admit are basically personal, nonpolitical, nonsocial kinds of problems? Say they're obese, don't like being obese, but they maintain that somehow they are owed relief of their obesity, which is of course an impediment to some sort of progress that they might very well desire. So they turn to politics. But if democracy allows the translation of personal tragedies into political problems, isn't that a self-destructive possibility?

HOOK: You have raised a number of complex problems, and it would require considerable time to do justice to them. Democracy as a way of life commits us to the sort of institutions and practices that will enable all members of the community to develop to their full capacity. But from that I do not derive any program for groups. In fact, I am opposed to groupism, as I'm interested only in individuals. If an individual suffers from some ailment which gets into the way of his education or his development, I believe we have a moral obligation to offer to do something for him if we can. But the tragic problem would still remain. He may have to undergo a severe regimen of preventive or corrective treatment. He may cry out in pain, "Why do I

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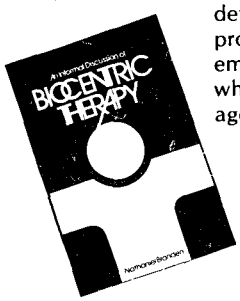

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have to suffer this way in order to develop myself as a person?" But there is no alternative to the price that must be paid. That's the tragic element.

If one has children, one will find that they vary widely from each other. Yet intelligent and sensitive parents desire that each one of them develop himself or herself to their fullest stature as human beings. To enable them to do so one can't treat them all the same way; they have to be treated differently or unequally. Yet underlying these differences must be an equality of concern, an equal opportunity for them all to develop. Sometimes, of course, we will have to embark on special, apparently privileged, treatment. Even you, I'm confident, if a crippled person entered a crowded room, would expect someone to get up and offer him a seat. It is not a question of a right on his part, but somehow or other we feel we ought to do something to mitigate his discomfort since we cannot equalize human suffering.

REASON: Wouldn't that be a matter of private morality?

HOOK: To me, private morality is not merely private. It depends on whether and how the expression of private morality affects others. I don't think one should be legally punished for failure to act in such circumstances, but I believe it is objectively wrong for us to permit a crippled person to stand if we could stand without any or much discomfort.

Let me mention one other thing that I suspect will reveal our differences. I am quite sure you believe that individuals should be protected from the violence of others by the police power of the State. Would you agree that this right to protection should be enjoyed by all citizens independently of their individual ability to pay for it?

REASON: Probably if you don't pay anything you should not be provided with the service, but as to how much you pay, that may be a very different issue. That's a problem for political science, for a libertarian public finance.

HOOK: Aren't you saying that a poor man should be protected against a robber or a murderer as well as a man of means, that all citizens should be protected from the arbitrary violence of human agents regardless of their capacity to pay?

REASON: No, it can't be completely independent of payment. And you see, the issue is not that they "have to be protected." The libertarian point of view is that the police protection given by government is simply a collectivization of the individual right to self-defense. An individual hires the State to do something he is entitled to do himself.

HOOK: When you say that an individual "hires" the State do you really mean that because a particular individual has no money to hire he has no right to police protection? At any rate, I would maintain that the individual ought to be defended not only against human elements guilty of violence but against natural elements—disease, plague, earthquake. The community ought to provide these services, within the limits of our social means, regardless of individual ability to pay. Just as a person would say, "Look, I am in danger of losing my life at the hands of a cutthroat and am entitled to protection even though I haven't anything in my pocket," he can say, "I have been stricken by pneumonia—haven't I the right to some medical care even though I can't

pay for it?"

REASON: No, because in libertarian political theory, to say that I have a right to be protected against other people's actions means that other people should not take those actions and they may be stopped when they try. Now, there is no other agent with free will, with moral responsibility, to which the remark "you oughtn't to do this" applies in the case of diseases or an earthquake or any kind of natural disaster. A right against something that has no capacity to say "I will" or "I won't" is meaningless.

HOOK: I doubt whether you would hesitate to protect a man from criminal assault until you were convinced the assailant had some free will in the matter. After all, an insane man may be the assailant. Can't we invoke police protection in such cases? You are taking a rather odd Kantian view and asserting that you can only uphold the right to be free of criminal attack when the attack is itself a rational voluntary action.

REASON: No. The point is to distinguish those cases in which there is no question whether you have the right to stop what is happening. For example, a mad dog is attacking you and a killer is attacking you—with the killer, you first have to determine that he is in fact attacking you.

HOOK: I would say that if you have the right to be protected against that murderer . . .

REASON: No, you have a right to protect yourself.

HOOK: I hold that the community has an obligation to protect you against the murderer, and if you have the right to be protected against the violence of a murderer, you have the right to be protected against the violence of a mad dog.

REASON: Yes, if you buy yourself a bouncer who watches out for mad dogs in the neighborhood. You have every right to hire this guy to watch out.

HOOK: No, I am just an ordinary man walking down the street. Someone attempts to murder me and he's stopped by a policeman. I say, "That's as it should be. I am a member of a community in which I enjoy the same kinds of protection from would-be murderers as a millionaire, even though I am a pauper." Then I walk down another block and a mad dog tries to attack me. Why shouldn't the policeman stop that mad dog?

REASON: Because that is not his job.

HOOK: It should be his job. And I'm maintaining that the major diseases that strike us down are comparable to the mad dog.

REASON: Well, we are not going to resolve this difference here. There's a fundamental disagreement about whether individuals have a right to *receive protection* from certain things or whether they have a right to *buy* such protection—and maybe not all of it from the State.

REASON: Let's ask you something more personal now. What are you working on, and how long do you plan to stay at Hoover?

HOOK: I will be here officially another year at the most. I am working on a number of things—a collection of essays to be entitled *On the Battlefield of Philosophy* or *Philosophy and Public Policy,* a short book on the nature of human rights, and my political autobiography, whose title is *Out of Step.*

REASON: Well, you keep busy! Thank you very much, Dr. Hook. ◻

IF YOU LIKED GUN CONTROL, YOU'LL LOVE THE ANTIABORTION AMENDMENT

Beverly J. Combs

For many years, conservatives have given considerable time and devotion to the cause of protecting the Second Amendment to the Constitution—the right to keep and bear arms. Equal time and devotion should now be given to the cause of protecting one of our rights under the First Amendment—the right to religious liberty. Most conservatives have chosen to go the other way, however, giving adamant support to the proposed antiabortion amendment, an amendment based solely on religious dogma—dogma not belonging to the Constitution of a free people. It is to those conservatives that I address this lament.

As a conservative, I stand opposed to any amendment infringing upon my present rights; as a woman, I stand opposed to any amendment restricting my right to protect my health; and, above all, as an American, I stand opposed to any amendment providing the means for religious tyranny to enter into the affairs of state.

It is, therefore, with no small amount of consternation that I watch you, my old conservative friends, so vociferously thumbing your noses at the first clause of the First Amendment—the separation of church and state.

What is even more dismaying is that you are destroying the First Amendment by marshaling the same tactics we used successfully to preserve the Second Amendment. Had I not once been on "the other side," perhaps the situation would not appear so perplexing.

"Nazis!" we shouted then. "First gun registration, then the brown shirts in the night."

"Nazis!" you shout now. "First abortion, then the ovens."

As I read the chapter "The Family" from Richard Grunberger's *The 12-Year Reich,* some of the words echoed an all too familiar tune: "the new regime proved its claim to be better protectors of family life by imposing harsh curbs on equality for women, abortion, homosexuality and (conspicuous) prostitution ... immediately after the seizure of power the advertisement and display of contraceptives was banned ... and all birth control clinics were closed down. Abortions were termed 'acts of sabotage' against Germany's racial future, involving commensurately heavy punishment ...."

But we must not pause too long to burden our minds with the facts; let us return to our slogans.

One of the slogans of the gun lobby is: "Why outlaw guns? The criminal will always be able to get a gun." Yes, he will, my friends—except under an absolute dictatorship. For example, it is not a difficult task for criminals to clandestinely manufacture guns and peddle them through the black market.

Now I ask you: "Why outlaw abortions? A woman will always be able to get an abortion." Yes, she will—except under an absolute dictatorship. For example, the rich will be able to go to another country for an abortion, and the poor will still resort to their do-it-yourself or back-alley abortions.

We thought it an injustice for people to imply that only the ignorant or the violent keep guns. On the other hand, I think it is an equal injustice for you to imply that only the immoral or the uncaring seek abortion.

I recall, there was much slapping of the right thigh when some of us sat one night and listened to some "damned fool woman" state how it was "dreadful about all those big, grown men running around the country killing those poor little skeet." Recently when I listened to you state that under the proposed antiabortion amendment "the body and life of the mother are only involved indirectly," I was slapping the other thigh.

Further insulting my intelligence, you go on to say that meaningful life begins at conception. Does it, my

friends? *Why?* Because you say so; furthermore, you can prove it by showing me a movie on the development of a fetus.

At this point, I think it is not impertinent to ask the question, "Where do babies come from?"

From *meaningless* life, you say. Oh?

You didn't say that? But you have just told me *meaningful* life begins at conception; hence, I must assume that the sperm before it unites with the egg to form a zygote is *meaningless* life.

Ah, wait a minute. I think I'm catching on. The sperm is part of a *man's* body; the ovum, part of a *woman's* body. But what if a man damages his half of the zygote before it unites with the woman's half, thus causing the eventual spontaneous abortion of a "meaningful life?"

Well, goes the reply, a man has a right to do what he wants concerning his own body (including the right to shoot a prowler if he decides such prowler *might* do him some bodily harm). Anyway, you're not talking about spontaneous abortion, you say.

I know you're not, that's why I am. For carried to its ultimate conclusion, your proposed antiabortion amendment should, I think, be called The Bedroom Amendment.

If it is logical to argue that the next step after the banning of handguns would be the banning of shotguns and rifles, is it not logical to argue that the next step after the banning of induced abortions would be an attempt to ban or forcibly control spontaneous abortions? Because abortion is a religious, sexual taboo, government must eventually intrude into the "affairs of the bedroom" if there is to be effective abortion control.

What are the causes of spontaneous abortion? In his article "polluted Genes" (North American Newspaper Alliance) Jon Frederics points out that "a man's heavy drinking habits may lead to birth defects, spontaneous abortions, and other bodily abnormalities." Perhaps future research will show that many of our personal habits infringe upon "the welfare and rights of the unborn."

The future. What lies ahead for those of us who love liberty?

Man does not have the gift of being able to see into the future; therefore, he must study the history of mankind and draw from the lessons history teaches.

Studying the history of mankind leads me to believe that it is man's nature to revel in the barbarity of religious oppression. I can only conclude that you will have laid the foundation for religious oppression if your proposed antiabortion amendment becomes a part of our Constitution. History teaches me many will come along to build on this foundation. What then of our guns, which we say we keep to defend our guaranteed freedoms? There will be no further use for them, for you yourselves will have destroyed individual liberty, from within.

But, you ask, what has all this to do with the killing of "innocent little babies?"

Nothing, as far as I can see. The issue in question is freedom. The proposed antiabortion amendment ignores the cornerstone of freedom: the individual—neither the church nor the state—must make the decisions concerning his own body. As the master makes the decisions concerning the slave's body, thus the dictatorial state makes the decisions concerning man's body.

If you insist, however, let us speak of the killing of innocent babies: the millions of babies that have been killed throughout history by man's wars and man's cruelty.

Ah, but this is all right, you say. Man may kill babies in the name of war, and besides, wars are fought in the name of religion.

Yes, some of them have been. But am I to believe that in the name of religion, a woman—perhaps sick, haggard, and worn or perhaps with greater purposes than motherhood—*must,* should be forced to go through with, pregnancy?

Of course. Unless man, in the name of religion, goes to war; then it is justifiable with the instruments of war—bombing and burning, disease and desolation, heartbreak and hell—to do this woman enough harm to cause her to abort.

When I listened closely to the argument of the pro-gun-control crowd, I decided what they meant was gun confiscation. Now I have listened closely to your antiabortion argument, and I have decided what you mean is this: sex is sin; pregnancy is a woman's punishment for her part in this sin.

Listen to yourselves: "Selfish women." "Virgin Mary didn't do that." "*For* a man having a gun. *Against* a woman having an abortion." "God will judge."

Oh, you can parade your grave concern for these innocent little "unborn children." But, my conservative friends, I think I know you better than that. I wonder what you would say to a bill that stated: "No firearm may be kept in any dwelling where one of the occupants therein is a minor."

It might save one child from a tragic accident. But you seem to be more concerned with the rights of the "unborn" child—from the moment of conception.

Seemingly obsessed with the phrase "moment of conception" and determined that I should abide by your religious dogma—dogma asserting that I was a person from the moment of conception—you antiabortionists try to pass legislation which in effect states that my soul entered my body at the moment of conception. Or am I to believe I was once a person without a soul?

Furthermore, not content with trying to write your own religious beliefs into the Constitution, you also try to distort the religious beliefs of my forefathers (and foremothers), apparently expecting me to believe that their views were the same as yours are.

In spite of your sanctimonious asseverations, however, I find evidence that many of our country's founders were inclined to be neither straitlaced nor superstitious: Thomas Jefferson doubted the virgin birth; Sarah Harrison refused to repeat the word "obey" at her marriage ceremony; John Randolph (of Roanoke) believed occasionally in God, frequently in Christ, and always in John Randolph; and although Elizabeth Blair had 19 children, I can only conjecture whether this was due to the presence of piety or the absence of the pill.

Nevertheless, you keep marching.

The antiabortion argument means this: sex is sin; pregnancy is a woman's punishment for her part in this sin.

I find evidence that many of our country's founders were inclined to be neither straitlaced nor superstitious.

Yet, it seems to me, you are trying to march in one direction while facing in the opposite direction.

Two hundred years ago, a few men defied a religious belief: the belief that a king had the divine right to rule over the common man. And as a result of their defiance, the common man in this country at last became equal to a king.

Equal to a king! Now the common man was to control his own destiny, his own body, his own thoughts.

One symbol, and more than a symbol, of this new equality was the gun. The right of the common man to own a gun (the right of the *people* to keep and bear arms) was acknowledged—he alone was to make the decisions concerning the protection of his own body.

The ideas held by these few men were new—revolutionary. Yes, these were gallant men, searching for better answers instead of echoing the old ways. What dreams they had of new health, new freedom, new courage to end some of the suffering that had long plagued this miserable human race.

But what is it I hear today—this brazen hypocrisy, this distain for women—where will it lead?

"In trying to legislate gun control, Congress is trying to legislate morals." "Congress can't legislate morals, the criminal won't obey the laws." "If a woman's not ready to pay, she shouldn't play."

I see a woman, she stands in the doorway of a little shack. Around her are gathered several small children, dirty and sad; their little faces reflect none of the pleasures of childhood.

At her sagging breast, a baby sucks, fighting for the nourishment which is not there.

She looks away from her children, far away; her eyes mirror all the misery of the world.

She will not be with us long, this one; Fate will soon carry her away.

The kings! They will do something for her, someday—take up a church offering, or develop a new fertilizer, maybe.

Poor wretched soul, had it but once drunk from the golden cup of liberty and tasted the sweet joy of being equal to a king.

Oh, we could have some splendid times together on this one; I will miss you as I go on alone. But as you turn and go the other way, farewell, old friends. ◻

A native of Hazard, Kentucky, Beverly Combs is a descendant of several old and famous Virginia families and is a tenth-generation grand-daughter of the American Indian princess Pocahontas. Ms. Combs travels widely and has resided in eleven states and two foreign countries. She has two children.

GUN CONTROL DOESN'T WORK

(continued from page 23)

ant to the armed robber, assassin, etc. But it is generally conceded that these types will be least affected by handgun prohibition. To the extent that they are affected, they will probably cut long guns down to conveniently concealable size, thereby increasing the danger to their victims.

As to homicide, concealability is largely irrelevant. Most homicides are committed in a momentary rage by law-abiding citizens who are normally not carrying a concealed weapon. For their purposes, the long gun in an adjacent bedroom or nearby automobile is fully as accessible (but far more deadly) than the similarly situated handgun. This goes a long way toward explaining why American handgun-prohibiting jurisdictions, which drive those desiring weapons to long guns, consistently have higher homicide rates. In Britain, where far more "crimes of passion" are committed with long guns than in this country, the recovery rate from shooting is much lower. (Zimring, "The Medium Is the Message: Firearms Caliber as a Determinant of Death from Assault," *Journal of Legal Studies,* 1972, pp. 97, 113, n. 27.)

The only in-depth study of British gun control concludes, incidentally, that it has had no ascertainable effect upon violence. Done by a high-ranking British police officer for Cambridge University in 1970-71, the study notes: Britain was very peaceful before prohibition was adopted in 1920, although until then it had literally no laws curtailing ownership or carrying of firearms; honest citizens have obeyed the prohibition only because England is so safe that firearms are not deemed necessary for self-defense; and British criminals have retained illegally at least the same number of firearms they possessed in 1920 (Greenwood, *Firearms Control*). It appears that violent crime is comparatively rare because the highly civilized, homogeneous, closely knit British society imposes cultural restraints against violence upon even its criminals better than do we.

Gun control is irrelevant to the real determinant of violence—which is not the availability of firearms but the inclination toward use of weapons in interpersonal relations. Contrast the phenomenally high homicide rate in Mexico, where very unsophisticated weapons predominate, to the phenomenally low homicide rate in Switzerland, where every man of military age owns a fully automatic rifle. (Such weapons, which are forbidden in the United States, are also widely available in Denmark, Israel, and Finland—all countries with very low homicide rates.)

Violence can be eliminated or reduced only by sweeping changes in the institutions and in social and economic relationships—the ideologies and more—which produce a violence-inclined people. Gun-control efforts are fundamentally obstructive because they divert attention from this arduous task by promising a simple mechanical solution at the cost only of an easily villified group—gun owners. Americans must choose either to experiment with painful and difficult institutional change or to accept and live with the inevitability of continued violence. ◻

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Don B. Kates, Jr., who received an LL.B. degree from Yale in 1966, is associate professor of law at St. Louis University. He specializes in civil rights, civil liberties, and poverty law.

FOREIGN CORRESPONDENT

CHANGES ON THE GULF

Dubai, U.A.E. The Gulf countries, comprised of Sultanate of Oman on the eastern edge of the southern coast; United Arab Emirates, Qatar and Bahrain on the south, Saudi Arabia, Kuwait and Iraq along the west coast, and Iran to the north, all rich in oil, are in a hurry to develop. With few exceptions this development is being forced on the subjects by strong central governments. The few exceptions are not far behind in the process of centralizing and controlling the economic future of their nations.

Saudi Arabia has proclaimed that as of December 22, 1976 no foreigners may own, wholly or partly, any business in the kingdom. Observers feel that spells trouble since a good deal of business management has been under the control of experienced foreigners.

A number of rulers, heads of states and men of influence harbor the notion that all it takes to grow is to throw money around. Such an attitude is now coming under strain as in the case of Iran where the Shah has had to cut back on a number of projects and has even resorted to searching for money in the foreign markets. The glory of pompous claims about raising the economic level of their nations to the level of free industrialized world with the aid of their oil wealth seems to be slipping away.

The United Arab Emirates, and particularly some of its semi-independent sheikhdoms, have so far followed a very common-sense approach to their development by opening their gates to immigrants and giving them freedom in their activities. Dubai, with so few natural resources, has shown its capacity to grow and develop in an atmosphere of freedom. But it may be not too long before Dubai, too, will give in to the pressure from Abu Dhabi, its major partner in the federation, for a stronger central government and more controls in the local economy.

This was one of the major issues over which Sheikh Zayed, Ruler of Abu Dhabi, threatened to step down at the end of his term as the President of the U.A.E., on the federation's fifth anniversary. Other issues involved border disputes between Dubai and neighboring Sharjah, and participation of member rulers in the central budget which so far had been financed almost solely by Abu Dhabi. Dubai, however, being mainly dependent on its own resources, has managed to retain its sovereignity to a large extent.

A major instance of difference in economic freedom between Abu Dhabi and Dubai is that whereas Abu Dhabi's government requires foreign businessmen and professionals to take up a local partner, so far no such rule applies in Dubai. But it is anticipated that some sort of change in regulations requiring local partners will be forthcoming in Dubai as well. This is a way of enriching and distributing the wealth among the local populace, which comprises a bare 20 percent of residents in the area.

Socially, foreigners find life more tolerable and culturally active in Kuwait, Bahrain, Qatar, U.A.E., Oman and Iran than in the rest of the Gulf states. In Saudi Arabia, the sale and consumption of alcohol is completely banned and movie theaters are nonexistent. Abu Dhabi is relatively "dry" compared to Dubai, due to Abu Dhabi's greater emphasis on political issues. In Dubai, the emphasis is still mostly on commercial success.

People often wonder how long the present rate of development in the various Gulf states will continue. Most local observers estimate that in 10 years everything will go kaput. In the U.A.E., for instance, the building construction industry continues to boom. The various city-states vie with each other in their development of various projects, many of which are redundant (such as international airports and communication complexes). The seven sheikhdoms together have eight different military units: one for each state and one central defense system.

The spectacular development in building construction has not as yet put a halt to the skyrocketing rents. Increases of 20 to 30 percent per year are the present norm. Living in Dubai is nearly twice as expensive as living in New York. A local building owner can recover the cost of construction in two to three years. Still, a sense of caution is growing and everyone expects the rents to take a deep plunge in the near future. The main factor in this erratic situation is the still-continuing influx of people from all over the world.

The war in Lebanon is responsible for a good share of this influx into U.A.E. and other Gulf states as well. Lebanese, both Muslims and Christians, have flocked to Dubai to find an alternative to the mess their country is in. Now that there is some semblance of peace in Beirut, many of them are packing their bags to go back home.

Culturally, a number of changes have been taking place in this region. Women are beginning to come out of their Burqas (veils) and are beginning to participate more actively in public life. Arabs are a proud people and it is a common sight to see them carrying guns of one sort or another as they go about their business. In business they are beginning to get shrewder and sophisticated, adopting the ways of the west. Still, much of the trend toward westernization is superficial, adopting forms without adopting values.

The traditional ban against lending money at interest is beginning to give way to modern realities. A number of Arabs have opened banks of their own. Some of the Gulf states are considering unifying their currency by 1978. It is not yet clear what criterion or standard will be employed in having a common currency. In case the standard considered is not gold, then most likely it will be one of those pipedreams that fizzles out, principally because under the veneer of brotherhood there lurks the urge to maintain personal power over the region under their command.

Many significant changes can be expected over the next decade. If and when the problem of Palestine is resolved, the one common bond of unity is most likely to be replaced by issues on which there is far less agreement.

Prakash Aswani

LUCIFER'S LEXICON

by L. A. Rollins

ancestor, n. Deadwood on a family tree.

chauvinism, n. Egotistical collectivism.

credibility, n. Ability to deceive.

deserter, n. A runaway slave.

emigration, n. Jumping out of the frying pan. The correlative of emigration is immigration, jumping into the fire.

limited government, n. Limited robbery, limited slavery and limited murder.

VIEWPOINT

ARCHISM REVISITED: LET'S NOT NEGLECT A GOOD THEORY

In recent months I have read and heard claims to the effect that within the libertarian movement anarchism has gained both the argumentative and popular advantage. About the latter I know very little, although judging by the moderate successes of the Libertarian Party and the support it has received from libertarians the claim seems dubious at best. But concerning anarchism's success at the philosophical level I have reason to believe that there is no truth to the claim at all.

What has led some anarchists to rejoice? First and foremost it is the lack of argumentative success of Robert Nozick's case for the so called minarchist position. Admittedly, Nozick [in *Anarchy, State, and Utopia*] defends the case for government in a free society inadequately. He defends the rights of the individuals inadequately, as well, of course, since he simply stipulates but does not prove the existence of natural rights. His moral case for these rights is missing from his book: (This, incidentally, does not prevent Nozick from speculating in some detail about alleged moral obligations people may have toward animals!)

A more recent event that might encourage anarchist libertarians is Arthur Shenfield's incomplete proof of the archist libertarian position in the August 1976 issue of REASON. But then neither can one claim that David Friedman answered Mr. Shenfield with some knock-down argument for anarchism.

Aside from the failures of some particular arguments for archism is there any reason to claim that anarchism has won the argument? By any fair sampling of the literature there simply is no good reason for this. Murray Rothbard's case for so called "defense agencies" is a conceptual muddle–after all, the concept "defense agency" includes so much (e.g., body guards, security agents at banks, bouncers, protection gangs) that no distinction is discernible within this concept between the indiscriminate, lawless reaction to those whose actions are felt to be dangerous or threatening and the protection and preservation of the natural rights of individuals in accordance with *due process*. Rothbard builds into his concept of government the institution of taxation, thus getting his anarchism by means of the fallacy of pleading his case. He never demonstrates that government *must* include taxation. And Ayn Rand and others have shown that a free society's government can be financed without resorting to anything like theft. Levying contract fees is a perfectly moral means by which government could be financed.

Then there is R. A. Childs' "Open Letter to Ayn Rand" which was answered by Paul Beaird in a recent series of articles in *Option*, the Canadian libertarian magazine. Beaird's case is especially telling against Childs' charge that the case Rand makes denies the individual's right to self-defense and protection. Nothing could be further from the truth.

Aside from these existing problems that anarchist libertarian theories face, it is interesting that none of the anarchists has answered my own discussion of anarchism and proof of the morality and value of government in my *Human Rights and Human Liberties* (Nelson-Hall, 1975). Granted I don't teach and write at Harvard University and my book will never be so prominent as Nozick's–nor, I am afraid, so clever and, in spots, brilliant. But I do treat the issues from start to finish, unlike Nozick. So if one wished to take on a full blown case for libertarian archism, the chance exists and all concerned parties are well aware of it. Instead the points are made against Nozick, Rand (neither of whom will answer very readily), and John Hospers (who generally treats the issue by posing *difficulties* for the anarchists, not a moral argument for archism).

The essence of the case for libertarian archism is that each individual should live so as to achieve happiness, which in the context of community life justifies taking measures to protect and preserve the conditions socially required for this purpose, i.e., each person's natural rights. To achieve this goal in human communities we should establish agencies specifically devoted to the task of protecting and preserving our rights. Since this implies that conflicting efforts not obstruct the end being served, those who wish to abstain from receiving the service remain legally isolated or should build other such agencies outside the jurisdiction of the agencies established in one community. This is unavoidable because jurisdictional intersection would (have to) result in mutually exclusive resolution of conflicts. So, as it were, "competing governments" within one homogeneous area are impossible in terms of the purpose of government, i.e., protection and preservation of individual rights (so that adjudication of claims that rights are being or have been violated must in principle be conclusive and binding).

What have libertarian anarchists said to this? Either that the above is nothing but anarchism in the end, or that exclusive jurisdiction violates the rights of individuals. The former claim is difficult to understand in view of the constant emphasis of anarchists on competition within geographically homogeneous areas. The latter claim is false, *pace* Rothbard *et al.* So what can one do? I do not propose to stand on a rooftop and shout for 24 hours each

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day that the archist case is sound, as the anarchists appear to do sometimes for their case. When arguments come my way I'll do the right thing and consider them carefully. But to date the result of having done this has left me with the archist position. I really am not emotionally tied to it–I have no vested interest in archism other than the vested interest I have in abiding by the force of argument. Sure, I don't rejoice in discovering that I have erred, but it is better to admit it than to err further and hide the truth from oneself. I have changed my mind enough in my life that I know it causes no permanent damage.

I admit that resolving this dispute is not my highest priority, nor need it be for others. But when people insist on

claiming argumentative victory where I see none and yet have made the effort to see what's what, it behooves me to speak out.

Sometime ago a fellow reviewed Nozick in *Libertarian Forum* and concluded by saying that after his criticism the ball is in the archist's court. This is false—it may perhaps apply to Nozick's archism, but it is to plead the anarchist case to think there is none other.

Senior Editor Tibor Machan teaches philosophy at SUNY-Fredonia. His Viewpoint alternates in this space with those of Murray Rothbard and Alan Reynolds.

AIRLINE DEREGULATION?

There is just an outside chance that some form of deregulation of the airline industry will become a reality this session of Congress [see Trends, this issue]. Sens. Ted Kennedy (D-MA) and Howard Cannon (D-NE) have co-sponsored a bill to allow the CAB to ease restrictions in pricing decisions and route selection. This is hardly what a libertarian would call real deregulation, but it's the best that has been introduced so far. The fact that Kennedy and Cannon, who are heavy hitters among different factions of Senate Democrats, are behind it, make it something to be taken seriously.

Hearings have been scheduled for late March in the Aviation Subcommittee of the Senate Commerce Committee. Several libertarian witnesses requested a place on the witness stand, and some may actually appear. A letter suggesting that the Cannon-Kennedy proposal is a good start, but that deregulation should cut much deeper, to your Senator, to Cannon, Kennedy, or to the Senate Aviation Subcommittee, would be helpful. (U.S. Senate, Washington, DC 20510)

AT&T CASE COULD OPEN THINGS UP

The bill proposed by AT&T to strengthen its communications monopoly has been dutifully introduced in the 95th Congress (Hansen and Wallop of Wyoming in the Senate; Roncalio of Wyoming in the House—S.530 and HR 8). This bill just might open up some deregulatory possibilities. The House Subcommittee on Communications, after hearings last September, decided to look into the idea of updating the whole Communications Act of 1934, which established the FCC and built the current regulatory framework. A preliminary staff report was due by the end of March to Subcommittee members. The whole process could take two years, which could give libertarians a chance to get in some deregulatory proposals.

With the whole Communications Act under consideration, Federal regulation of airwaves, the Fairness Doctrine, the telephone monopoly, and even the existence of the FCC have become fair game. If you have any thoughts or opinions, you might address them to Lionel Van Deerlin (D-CA) chairman of the House Subcommittee on Communications of the Interstate and Foreign Commerce Committee (U.S. House of Representatives, Washington, DC 20515).

ENERGY FASCISM?

Carter's proposal to bring all energy regulation under the wing of a single agency seems remarkably dangerous. The only reason energy development hasn't been completely stifled is that Federal regulation has been uncoordinated, allowing a few loopholes through which the market could operate. The Federal Energy Administration and Federal Power Commission, in fact, have occasionally advocated some limited deregulation. You can probably be sure that a single agency headed by James Schlesinger under the aegis of a Carter Administration will not see many such heresies. Unless I read these people wrong, they have boundless faith in the capacity of rational central management to set all things to rights. It's just a matter of reorganizing and putting good managers in charge. Was that Lady Liberty's strangling, muted cry I heard?

By all means, write like crazy in opposition to this giant step in the wrong direction. Senators, Congressmen, President, everybody should receive letters from libertarians.

BUYING THE UNIVERSITIES?

How is education to remain independent? Or was it ever, really? What are the prospects for much dissent from the government-promulgated view that what society needs is competent central management?

Pardon the pessimistic thoughts. They're prompted by the news that in 1976 the Environmental Protection Agency alone gave out over $50 million of our money to colleges and universities for research and development grants. The taxpayers may pay the pipers, but you may be sure that the EPA is calling the tune for us.

POSTAL MONOPOLY AGAIN

The executive-branch Commission on the Postal Service has completed hearings on postal reform, held in 21 different cities. They heard the case for repealing the Private Express Statutes from a number of sources during the hearings. Now they are preparing a report with recommendations for reform, due April 18. A flood of letters supporting repeal of the USPS monopoly on delivery of "First Class" mail status might be helpful. (Commission on the Postal Service, 1750 K St., N.W., Suite 800, Washington, DC 20006.

MEDICAL FREEDOM OF CHOICE

Rep. Steve Symms (R-ID) is again introducing his Medical Freedom of Choice bill, which would repeal the "effectiveness" provisions of the Food, Drug and Cosmetics Act. If passed, the bill would leave the Food and Drug Administration with the power to test new drugs for safety, but would leave decisions about effectiveness to individual doctors and their individual patients. Last year the bill gained 64 co-sponsors from both parties. Symms hopes to reconstitute the constituency of libertarians, conservatives and health-food fans which killed the FDA's attempt to regulate large doses of vitamins several years ago. If he can do it, there is an outside chance this bill could be passed.

DRAFT OR UNIVERSAL SERVICE?

If you haven't written to your Senators to denounce *both* the Military Draft and a Universal Compulsory National Service program, please do so. Sen. Sam Nunn (D-GA) has apparently convinced himself that one or both is necessary, and is beating the drums. I think it would be helpful to identify ourselves as libertarians on this one, and make the most principled possible case against involuntary servitude. We can take the lead in this fight and win it, but we shouldn't underestimate the determination, power, and patience of the opposition.

NOTED IN PASSING

On attending the Conservative Political Action Conference in early Feb-

ruary: They seem sadder than ever, a disjointed cause in search of another Reagan (or maybe Reagan Himself again) wavering confusedly between principle and expediency (why don't we run as Democrats?) Many conservatives may be ripe for some aggressive libertarian proselytizing.

To Empower People: The Role of Mediating Structures in Public Policy. by Peter Berger and Richard J. Neuhaus, published by the American Enterprise Institute. They're talking about the importance of voluntary institutions in a human community, urging that government not undercut these structures, but use them to advance "public policy." But many of their facts and arguments could easily support the proposition that voluntary institutions provide all the "social goal" coordination that society needs—and government is not necessary and distinctly unhelpful. Available from AEI (1150-17th St., N.W., Washington, DC 20036) for $2.50.

Alan W. Bock

Alan Bock is director of Libertarian Advocate, a Washington-based pro-freedom lobbying organization.

SPOTLIGHT

A classroom of students at an Eastern college fell silent as the 16mm projector began to chatter. IRS agents flashed on the screen, ordering an Amish farmer to hand over his two horses for nonpayment of taxes. Minutes later, masked Federal agents stormed into a house without identifying themselves, terrifying the innocent couple inside. When the film ended, after showing dozens of other true cases of governmental intrusion in civil liberties and the economy, the classroom erupted with debate—over the proper role of government and the nature of individual rights.

Similar reactions to the film occur each week with increasing frequency around the world, in high schools, universities, civic halls, business meetings, libertarian gatherings, and special screenings by corporations for their employees. An astonishing 15 million people have been exposed to a longer version of the movie (expanded to include commentary by Nobel Laureate Milton Friedman, former Treasury Secretary William Simon, and Professor Walter Heller) on television in recent months. The name of the film: *The Incredible Bread Machine.* The man behind its success: a soft-spoken libertarian named Ted Loeffler.

Loeffler, a 51-year-old former book publisher, is the creator of a unique educational center called the Campus Studies Institute. Gifted with a talent for marketing and a sense for both the ludicrous and menacing aspects of current trends, he has overseen preparation of numerous highly-effective materials in the eight years since the Institute's founding. If the materials evoke a strong response from youth, it is because young people have played the major role in preparing them. Only two of the Institute's 21 employees are over 28 years of age.

Yet despite the informal style, a serious purpose underlies the activities of the Institute. Loeffler graduated from Yale in 1949 as a self-described "liberal elitist," but became dissatisfied with the superficiality of liberal dogmas in subsequent years. After a stint in the Air Force, and a number of years as sales manager for a large New York printing firm, he moved to California and became acquainted with works by Max Eastman, Henry Hazlitt, F. A. Hayek, Ludwig von Mises, and Ayn Rand. Their thinking reinforced his own concern with the visible decline in incentives for productive work, and his frustration with the collectivist bias in the public education of his three children.

TED LOEFFLER

In 1969, after reading a special issue of *Fortune* magazine on campus unrest, Loeffler decided to act. He sold his book publishing business, and, with an associate, invested $36,000 to market free-enterprise ideas to students via direct mail. "The student opinions were pretty wild," he remembers of the *Fortune* survey. "It confirmed my thinking that no one was presenting the other side."

The response to the new Campus Studies Institute was impressive. Using the experience he had gained as a publisher in direct mail promotion of his products to bookstores, Loeffler targeted college students in the San Diego area with lively, provocative literature. Virtually all of it defied stereotyping; indeed, Loeffler is quick to point out that his Institute is not pro-business, but pro-freedom. A large proportion of the students wrote back favorably impressed, and an opinion poll taken after the mailing persuaded Loeffler to expand to other campuses.

Through word of mouth and direct mail, word of CSI's intriguing materials spread among faculty members. "One of our unexpected successes has been getting so many faculty people involved," Loeffler says. "Our appeal to professors is 'Have an interesting class.' " Thirteen thousand teachers to date have requested study materials from the Institute, and hundreds of them have sent in letters praising their results. One professor said he had never before been stopped in the men's room by a student who wanted to talk about what happened in class.

In response to requests by teachers for a text to accompany the CSI brochures, posters, and leaflets, the Institute decided to rewrite and adapt Richard Grant's book, *The Incredible Bread Machine.* Among other things, the original book told, in verse, the story of a capitalist whose cheap bread-making machine became the object of political attack. By illustrating the same phenomena with real-life examples, the Institute staff prepared a devastating paperback reissue that has sold 150,000 copies.

So favorable was the response to the book that Loeffler in 1974 began laying plans for a movie. Despite recurring financial troubles—CSI in its early stages was $50,000 in debt—Loeffler raised $140,000 for the film production. The first, 32-minute film appeared more than 17 months ago, amid predictions that it would be a success if as many as 100 prints were made in the first year.

The actual response has almost defied belief. A total of 1200 prints is now in circulation. An hour-long videotape of the film with commentary

by economists has been snapped up by 200 television stations so far, half of them network affiliates. Some report that the film has drawn ratings that approach those of entertainment programs, a virtually unheard-of attraction for an educational broadcast. The show is scheduled for national broadcast soon in a voiceover translation on network German TV, and a Spanish group has just negotiated rights to distribute the book and the film in Spain and Latin America. Other organizations in Holland, Britain, and Japan have similar negotiations under way.

As might be expected, Loeffler is pleased with the results of the Institute. Staffers are now gearing up for a second movie, which they hope will complement the first. For the future, Loeffler has plans to make greater use of television as the medium best suited for a maximum impact on the public. The success of the *Incredible Bread Machine* movie gives ample reason for hope. "It has just sort of happened," he says of the stir caused by the film. "It's evidence of the power of the market—if people want something, it happens." ◻

BOOKS

ARE GOVERNMENT ORGANIZATIONS IMMORTAL? By Herbert Kaufman. Washington, D.C.: Brookings Institution. 1976. 79pp. $2.50 (pb).

BUREAUCRACY. By Ludwig von Mises. Reprint ed. New Rochelle, N.Y.: Arlington House. 1970. 128pp. $5.00.

Reviewed by Melvin D. Barger

In his concise study, Brookings senior fellow Herbert Kaufman offers scant comfort to citizens who would like to see a reduction in the size and scope of Federal bureaucracy. For Kaufman not only answers his question in the affirmative but suggests that some yet-to-be-born Federal agencies will make their appearance from time to time and will take on the immortality of existing organizations. Having provided excellent insights into the origin and growth of government organizations and having shown why efforts to curb such growth usually come to naught, he concludes with the melancholy suggestion that the "only course open seems to go on as before."

This is hardly surprising to students of the American mixed economy. There has not been a time within memory when political campaigns didn't include promises to hack away at the Federal bureaucracy or to make it more "efficient" and responsive to the public. But it seems to have a life of its own, and, far from eliminating bureaucracy, most political leaders do not even succeed in halting its growth.

Why is this so, when many of them actually detest bureaucratic red tape and would, indeed, like to make government less complex? Although Kaufman supplies excellent reasons for the growth of government organizations, anybody who wants to understand the bureaucratic jungle more thoroughly would do well to consult the slender volume *Bureaucracy*, written more than 30 years ago by the late Ludwig von Mises. Although Mises was a free-market economist all the way, he was not necessarily a foe of bureaucracy.

As Mises saw it, bureaucracy has its rightful place in the scheme of things. "It is," he wrote, "a method of management which can be applied in different spheres of human activity. There is a field, namely, the handling of the apparatus of government, in which bureaucratic methods are required by necessity. What many people nowadays consider an evil is not bureaucracy as such, but the expansion of the sphere in which bureaucratic management is applied." (pp. 56-57; all quotes are from the London, 1945, ed.)

Bureaucracy was a relatively minor affliction when the government was sharply limited. Americans had been accustomed to a system predominantly under what Mises called business or profit management, and as the scope of government increased, they were appalled by the seeming waste and inefficiency of government bureaucratic management. There was a tendency to believe that these resulted from the ineptness of bureaucrats, whereas private business ventures attracted more capable individuals who "could get things done." Mises could not agree with this conclusion. As he saw it, there are good reasons why bureaucrats behave as they do, just as there are good reasons for most business practices in a free-market economy. Here's how Mises described both methods (pp. 58-59):

"Bureaucratic management is management bound to comply with detailed rules and regulations fixed by the authority of a superior body. The task of the bureaucrat is to perform what these rules and regulations order him to do. His discretion to act according to his own best conviction is seriously restricted by them.

"Business management or profit management is management directed by the profit motive.... Responsibility can be divided. There is no need to limit the discretion of subordinates by any rules or regulations other than that underlying all business activities, namely, to render their operations profitable."

From these brief definitions, it's possible to understand the essential difference between a large government organization and a private commercial establishment of similar size. The government organization is set up to carry out certain policies and to follow detailed rules and regulations fixed by a higher body, such as the legislative or executive branch. But since no procedure or regulation can cover every situation, there are times when the organization seems to operate stupidly and carelessly. Actually, however, no bureaucrat is really blameworthy if he has faithfully followed the rules. If mistakes have been made, the fault often lies with those who made the rules.

A large commercial organization also has its own policies and detailed rules and regulations, but no executive who fails to maintain profitability in his operations can escape criticism by insisting that he followed the rules. The firm can survive only by maintaining profitability, so all operations within the company eventually are forced to yield to that goal. This is often described as a ruthless system, yet it is also ruthless in weeding out the very practices of bureaucracy that now dismay so many people.

As Mises saw it, any government bureau must solve problems that are unknown to business management, and it is a mistake to judge the efficiency of a government department by comparing it with the working of an enterprise subject to the interplay of market forces. Quite often, for example, certain public administration

practices may be the result of special political and institutional conditions.

The U.S. postal service, for example, has been operated as a bureaucracy since the early days of the republic. It has never been really efficient in comparison with private organizations of similar size. On the other hand, the postal service has always been subject to unusual political pressures that have directed its operations. It has been required to deliver mail to remote places without passing the additional costs on to the communities being served, to carry certain types of mail at greatly reduced rates, to have its rates set through the political process, to provide many services to Congress.

Obviously, then, we cannot remedy the shortcomings of bureaucratic management by appointing business executives to government posts. Such a businessman is no longer an entrepreneur, but a bureaucrat bound by rules and regulations that are beyond his reach.

Since bureaucratic methods are necessary in handling government activities, there is really only one way to limit bureaucracy, and that is by limiting government itself to certain activities that are clearly governmental in nature. Bureaucracy would be hardly noticed at all if it were encountered only in such organizations as police departments, military services, public records departments, and similar units of government. But it is proving to be intolerable now that it is being progressively extended to every phase of commercial, educational, and, increasingly, private life.

Nor is the mixed economy a safeguard against bureaucracy. It is true that private, profit-seeking firms, even when heavily regulated, sometimes retain a measure of freedom and efficiency in comparison with governmental enterprises. But it is a rare firm that can retain its vitality in the long run when regulation becomes pervasive and oppressive. Just as the individual entrepreneur becomes a bureaucrat when he joins government service, so does the individual firm tend to take on the characteristics of a bureaucracy when it comes under permanent government control. The most obvious examples of this in the American experience were the railroads, which had all the traits of government enterprises long before they collapsed and were taken over altogether.

Under the circumstances, it is not hard to see why government organizations—and bureaucracy—are beginning to seem immortal. If a majority of the people continue to favor the continuous expansion of government, believing that there are no constructive alternatives to such intervention, that is the consequence. Mr. Kaufman, though presenting a good analysis of the growth phenomenon, does not sound overly distressed by the prospect of bigger and bigger government. Mises, on the other hand, thought that eternal life for the bureaucracies will mean death for democracy.

Mises believed that a free market and personal freedom are inseparable. So far, the interventionists have only proved him right. They pay lip service to personal freedom, but under total bureaucracy real freedom just isn't in the rules! R

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REVOLUTION, REFORM, AND SOCIAL JUSTICE. By Sidney Hook. New York: New York University Press. 1975. 307pp.

Reviewed by Sidney Trivus

In the introduction to this collection of essays, Professor Hook points to two of what he believes are the chief dangers facing democratic societies "in the critical final quarter of the twentieth century": those societies may be destroyed if they botch the job on "pressing social problems" or may yield to totalitarianism because of "an estrangement from the basic values that hold a society together." Wisely foregoing the chance to prescribe exact doses of pet nostrums for those domestic ills, Hook devotes these essays to countering the peril of an intellectual and moral failure of nerve in the democracies.

Hook is mainly concerned in the first eight chapters to challenge what passes for Marxism in various quarters these days. In the remaining four, he examines the politics of violence and civil disobedience, the virtues and vices of bureaucracy, and the demands of "social justice," all in the light of what he takes to be a normative philosophical doctrine of democracy.

From the standpoint of scholarship and logical analysis, Hook succeeds fairly well in the first of these enterprises. Modern Marxists *soi-disant* and a mob of their camp followers have been imprudent enough to commit their cogitations to print. Such darlings of the woolly-minded as Jean-Paul Sartre and Herbert Marcuse, along with a job lot of academics ranging from Henry D. Aiken to Maurice Merleau-Ponty, have thus provided concrete evidence from which, bringing to bear his erudition in Marxist lore, Hook can convict them of intellectual and moral malfeasance.

"From 'Scientific Socialism' to Mythology," the first and longest chapter, is something of a smorgasbord. Its first part is a turgid and not quite successful attempt to explain Marx's "second coming" in the academy and amongst the intelligentsia. Following this, Hook provides: a devastating critique of the late C. Wright Mills; an examination of the peculiar Marxisms of Sartre, Merleau-Ponty, and Louis Althusser; a discussion of the "new Marx" lately exhumed from the Paris manuscripts of 1844; a good analysis of the varieties of alienation; a review of the recent brouhaha about "the end of ideology;" an essay, "The Temple of the Ten Thousand Marxes;" and an evaluation of Marx's preliminary studies for *Das Kapital,* lately published as the *Grundrisse.*

The next chapter, "The Enlightenment and Marxism," is an exercise in the history of ideas, concentrating on the notions of reason and of rights. On the first, Hook shows some of the affinities and continuities between the

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allegedly concrete, historical approach made so much of by Marxists and the presumably abstract, unhistorical standpoint of the *philosophes* (18th-century French philosophers, e.g., Rousseau and Voltaire). The Marxist-Hegelian view turns out to be neither logically coherent nor as brilliantly original as its advocates fondly believe. The outcome confirms one's suspicion that talk invoking History, historical laws, historical processes, etc., is largely cant. On the second point, Hook demonstrates that the Marxist notion of the rights of the citizen—as opposed to what Marx denigrated as the atomistic, negative, and bourgeois rights of man—is exceedingly confused.

Chapter 3 examines the theory of revolution, as expounded by Marx and Engels and as understood by Hook, and the radical revision and distortion of that theory at the hands of Lenin. This, along with the eighth chapter, "Rethinking the Bolshevik October Revolution," provides more evidence against historical materialism and the Marxist doctrine of economic determinism. It also demonstrates Lenin's amorality and opportunism and the Bolshevik betrayal of the Russian people.

In the survey in Chapters 4, 5, and 6 of some modern radical views on revolution, there is a useful discussion of the concepts of revolution and of reform. Not unexpectedly, Hook finds no excuse in parliamentary democracies for violent revolt on the French or Russian model. He exposes the irrationality of "the cult of revolution" and warns of "the human costs of revolution."

Following this, in the seventh chapter Hook contemplates the evolution of communism as a political force accompanied by a melange of ideologies contrived ad hoc. Here he even indulges in some mild speculation about the future.

On the whole, little of this is surprising, nor invested with fresh insights freshly expressed. It is, however, handy to have so many views summarized and dissected, with most of the main sources pin-pointed for more study. Unfortunately, the writing is tedious, professorial in the worst sense, and often slipshod. (For example the rules of tense are violated in the clumsy sentence beginning on line 13 of page 73.) Sometimes, too, Hook's thinking seems to be as muddy as that of the people he criticizes. Thus, as quoted in the first paragraph of this review, Hook speaks of an estrangement from "the values that hold a society together." But surely he must know that what holds societies together isn't identical with the liberal, democratic principles he espouses. Ancient Egyptian, Mesopotamian, Indian, and Chinese societies, hardly models of democracy, "held together" with at least as good a run as modern democracies have had. Still farther, why does Hook think that *values* are the nuts and bolts holding societies together? Indeed, what are values anyway? Another example of muddy thought is Hook's comment (p. 16) that "Sartre sees correctly that in the Stalinist world, the event has become 'an edifying myth.' " I can't make sense of that, and I bet 10 years' salary that Hook and Sartre can't either.

The book also suffers from some annoying failures in documentation. Hook tells, for instance (p. 90), of Rosa Luxembourg's criticism of Lenin's failure to hold elections in 1918, but he gives no source for Luxembourg's statement. Similarly (p. 97), Herbert Marcuse's ideas are characterized as "non-Marxist" and Leninist, but without citation of relevant passages. Still worse, Hook throughout expresses admiration for Marx as a devotee of freedom, a humanist, and a thinker, but Hook does not document these claims for Marx's virtues. (For all I know, those claims may be true. If so, they would support the belief that Marx was addled.)

By and large, however, these first eight chapters do make good Hook's case against the different sorts of Marxism he has examined. He does not fare as well, though, in the second of his enterprises, defending his version of a democratic political philosophy. The critical acumen used with such good effect against the Marxists hasn't been applied with equal vigor to the notions that Hook favors, such as the welfare state, rights, equality, and social justice. For example, Hook is in favor of equality. But he agrees that mere quantitative equality in the possession of economic goods won't do, as Aristotle pointed out in discussing justice in the *Nichomachean Ethics*. Consequently, Hook finds himself refining, redefining, and qualifying the notion beyond all recognition. Clarity and cogency would have been served had he spoken of justice instead of wasting effort trying to save the French Revolution's notion of *egalite*.

His defense of more traditional aspects of parliamentary democracy is also unconvincing, and for similar reasons. He simply asserts the virtues of majority rule, respect for minority views, freedom of the press, and so forth. Those already in agreement can sleepily nod their heads as the platitudes go by, getting the same warm glow of edification as from a sermon in a fashionable suburban church. Those who disagree, however, don't find *arguments* with which to contend.

In sum, this book can serve as an introduction to some of the major issues that fall under the rubric of "Marxism." It is not, however, a book that will keep you up all night. ◻

Sidney Trivus teaches philosophy at California State University at Los Angeles.

BOOK HINTS

Conservatives are at it again: Walter Berns makes his case *against* full protection of free speech and expression in THE FIRST AMENDMENT AND THE FUTURE OF AMERICAN DEMOCRACY (Basic Books, 1976, $11.95). The same house published Daniel Bell's interesting but lopsided THE CULTURAL CONTRADICTIONS OF CAPITALISM (1976, $12.95). News reporters Morton Mintz and Jerry Cohen have followed up their *America, Inc.* with a pseudo-scholarly tome, POWER, INC. (Viking, 1976, $15.00), attacking corporations. It's a case of pleading one's own while disregarding any other point of view. Gordon Tullock applies his model of economic analysis to democratic politics in THE VOTE MOTIVE (Institute of Economic Affairs, 1976, U.S. distribution by Transatlantic Arts, $4.95). Joseph Boyle et al. produce a neat defense of free will in FREE CHOICE: a SELF-REFERENTIAL ARGUMENT (University of Notre Dame Press, 1976, $15.95). ¡VIVA VIVAS! (Liberty Press, 1976, $7.95) pays homage to one of the best conservative thinkers still hard at work. John Kekes writes an intriguing work, A JUSTIFICATION OF RATIONALITY (SUNY Press, 1976, $20.00), something REASON readers might be interested in. And Machan's THE LIBERTARIAN ALTERNATIVE (Nelson-Hall, 1974) will be coming out in paperback, same house. And, good news: F. A. Hayek's second volume of LAW, LEGISLATION AND LIBERTY (Chicago, 1976, $10.00) is out—with some surprises! Finally, you *must* look at and eventually read David L. Norton's PERSONAL DESTINIES, A PHILOSOPHY OF ETHICAL INDIVIDUALISM (Princeton University Press, 1976, $4.95).

MOVIES

• The theory that "nothing succeeds like excess" is given a heavy workout in **SLAP SHOT!** It's the macho trip of the century, with escalating doses of calculated mayhem and the most obscene language (in quantity if not quality) of any major film in history. Luckily, it is also outrageously funny and almost perfectly cast. Paul Newman stars as the never-say-die coach of a losing hockey team in an obscure mill town. When the mill shuts down and the team is threatened with extinction, Newman goes all out to turn the team around and win the league championship, hoping that the owner will sell the team to another city. With the aid of dirty tricks, violence on the rink and the talents of a trio of new recruits (who play with slot cars between games), Newman soon has the team on its way to rejuvenation. Nancy Dowd's screenplay gives the proceedings a MASH-like atmosphere, and portrays Newman as an amiable jock whose rootless, free-wheeling lifestyle dooms his intermittent effort to reconcile with his estranged wife (Jennifer Warren). George Roy Hill's direction and Dede Allen's editing are crisp and forceful. *Slap Shot* occasionally crosses the line from macho parody to offensive exploitation, but for the most part it is good, clean, dirty fun. Rated "R." **—Charles F. Barr**

• **THIEVES** is a complex comedy-drama about a couple attempting to cope with the imminent break-up of their marriage. Basically it is a character study, and though it contains many good moments, the movie as a whole does not quite survive the transition from stage to screen. Marlo Thomas recreates her Broadway role as a schoolteacher in a rundown New York neighborhood, attempting to resist the upwardly mobile lifestyle of her husband, Charles Grodin. Marlo's dramatic and comedic talents are displayed to better advantage here than in her previous movie, *Jenny*. But she is handicapped by a role that attempts to equate spontaneity with childish irresponsibility (such as leaving expensive furniture to be stolen, while the couple lives in a nearly empty apartment). Grodin's characterization is even more circumscribed, and may be the key to why the movie so often fails to connect. He plays an almost totally reactive character, responding in a most conventional manner to Marlo's unconventional thrusts and parries. His attempts to recapture his past have a forlorn quality about them, and even in the couple's tentative reconciliation one senses that he has found her, but not himself. Herb Gardner's screenplay is often witty and psychologically incisive, but much of the dialogue that played well on stage sounds oddly stilted in the movie. Irwin Corey, as Marlo's salty cab-driver father, provides a great deal of the movie's momentum and humor. Though it finally falls short as a satisfying movie, *Thieves* displays considerable evidence of intelligence and craftsmanship that may serve its principals well in future films. Rated "PG." **—C.F.B.**

• Though they have little else in common, **THE SENTINEL** and **TWILIGHT'S LAST GLEAMING** share a common view of man as manipulated tool.

In *The Sentinel,* the manipulators are the forces of good and evil, as seen from a medieval religious viewpoint. Christina Raines is a hapless New York fashion model who becomes ensnared in this struggle between two sets of manipulators, and whose free will is finally levelled down to the choice of whom she will be manipulated by. Reinforcing the view of man as helpless and depraved is an accelerating parade of hideous deformities, gratuitous gore and decidedly non-erotic nudity. Sense-of-life issues aside, *The Sentinel* works reasonably well as a horror film in the tradition of *The Exorcist* and *The Omen,* with a literate script and good performances. Those who incline toward the film's view of human nature may even find it a religious experience.

In *Twilight's Last Gleaming,* the most simple-minded movie of its type since *Executive Action,* the manipulators are a group of political insiders, covering up the final secret of the Vietnam War. According to this particular conspiracy theory, these people (including an unnamed President of the United States) were aware from the start that the war was a hopeless cause; its only purpose was to impress the Russians with America's guts and determination. Burt Lancaster, as a former high-ranking military officer who is aware of The Secret, takes over a Titan missile base with the aid of several death-row escapees, and threatens to start World War III unless the President tells all. The movie is as technically proficient as it is politically naive. As is usual with this type of dramatized paranoia, the manipulators are firmly entrenched, and the plot holes are sufficient to swallow up a whole missile base. There is not a scrap of documentation brought forth to support the film's thesis; if there were, the public would be better served by bringing the evidence out into the open, rather than by hiding behind fiction masquerading as political reality. There are enough real demons in government without inventing imaginary ones. Rated "R." **—C.F.B.**

Schoolteacher Marlo Thomas breaks up a student scuffle in THIEVES.

publisher's notes

• **CARTER'S ADVICE:** President Carter dropped in on employees of the U.S. Department of Labor in February in what the White House said was the first of a series of "meet-the-workers" tours, which will eventually take him to the headquarters of every Cabinet department. We were most interested in Carter's message to the civil servants. The president said:

> "Quite often, without our knowing about it, people who are not so fortunate as we, have a great fear of the Federal government. It is almost as though our own government is our enemy or is foreign to our lives."

So far, so good. But then, according to the *Los Angeles Times* [Feb. 10], Carter—who had earlier campaigned on the claim that he would never lie to the public—urged the employees "to say 'I'm here to give you a helping hand,' not 'I'm here to enforce a regulation that changes your life against your wishes.' "

Now, we remember that Carter had a knack for speaking out of both sides of his mouth during the campaign, but we're not prepared to call him a liar if he's actually telling government employees to help the citizenry to avoid the impact of oppressive regulations. Yet we wonder what Ralph Nader would say if he felt that Carter was simply advising how to delude citizens into thinking civil servants are helping us, when they're really bent on hurting us with as little pain (to the civil servant) as possible. Well, maybe we'll find out whose side Carter is really on when he pays a visit to advise the friendly, helping employees of the IRS and OSHA.

• **JOURNALISTS SOUGHT:** Libertarians with experience in reporting are invited to apply to the Sabre Foundation, for research grants about ways that government impinges upon civil liberties and economic freedoms. Every six months, the foundation awards major grants (up to $500 in research money, and a $1000 stipend per article) to the authors of the most promising proposals. The articles, when completed, may be submitted to any publication participating in the program—a group that includes REASON, *New Republic, Washington Monthly,* and *Human Events.* All grant proposals are reviewed by an advisory board consisting of Edith Efron, Nicholas von Hoffman, Alan Reynolds, Irving Kristol and other well known writers.

For information on applying for an investigative reporting grant, write to the Sabre Foundation Journalism Fund, 221 West Carrillo Street, Santa Barbara, CA 93101. Applicants must be under 30 years of age, and submit their proposal by July 1, 1977.

• **REASON EDITORS REACH WIDE AUDIENCES:** In addition to their REASON activities, editor Bob Poole and managing editor Mark Frazier are enjoying success in communicating with a broader public. Poole's monthly "Fiscal Watchdog" column, discussing ways that local governments can cut spending, is now appearing in more than 50 daily newspapers around the country. In the coming month, 7000 weekly newspapers will be offered the column—and if the past response rate is a guide, several hundred papers will accept it. Frazier, meanwhile, has completed a story about the remarkable Florida East Coast Railway, a once-bankrupt carrier that is now perhaps the most efficient in the nation. His piece is scheduled to appear in the May issue of *Reader's Digest.*

• **CONSULTANTS WANTED:** The Local Government Center, headed by REASON editors Robert Poole and Mark Frazier, is seeking a number of persons with experience either working in or consulting with local government. Such persons, if suitably qualified would be available for part-time (paid) consulting assignments on projects sponsored by the Center. People with expertise in the following areas are needed: educational performance contracting, schools-without-walls, contract garbage collection, vehicle route design, work measurement systems, public works user charges, data processing facilities management, and flextime. Interested persons should submit a resume to the Local Government Center, 221 West Carrillo St., Santa Barbara, CA 93101.

• **NEW AUDIO-FORUM CATALOG:** Audio-Forum's Winter 1976-77 Cassettes Catalog has recently been published. The catalog lists over 400 cassettes of interviews, speeches, debates, courses and conferences. The broad variety of subjects covered includes philosophy, politics, investment, self-improvement and many others. Many cassettes feature leading libertarians on topics of particular interest to REASON readers. Copies of the catalog may be obtained from Audio-Forum Cassettes, Dept. R, 901 N. Washington St., Alexandria, VA 22314. Audio-Forum asks that readers mention REASON in their request and enclose 25 cents in coin or stamps for postage and handling. ◻

"How is it, Mr. Warnke, that you have the gall to actually support arms control?"

FRONTLINES

UNIVERSIDAD FRANCISCO MARROQUIN

Here and there around the world are small outposts of libertarian activity. One thriving institution is to be found in Central America, the **Universidad Francisco Marroquin, 6A Avenida 0-28, Zona 10, Guatemala City.** In the main lobby of the university stands a bust of Ludwig von Mises, and the library contains one of the finest collections of libertarian literature in the world. In 1975, Mrs. von Mises was invited to present the diplomas to the graduating class.

The university was founded in 1972 by Mr. Manuel Ayau, its present Rector. An industrial engineer by training, he began to study economics to understand why his country was underdeveloped, in spite of good soil, plenty of natural resources, and a favorable climate. In 1957 he read a pamphlet by Mises and in 1959 founded the **Centro de Estudios Economico-Sociales.** The university was established after the realization that the State-supported academic community was the root cause of the widespread belief in statism.

The study of economics is required of all students, regardless of the career choices of each. Curricula are offered leading to degrees in economics, business administration, law, and architecture, as well as graduate schools of business administration and psychology.

Applications for admission have risen at the rate of 32 percent per year since 1972, and each year new buildings have been added to the campus. The policy of the university, however, is to keep admissions down to a total student body of about 600 to maintain the student/faculty ratio and academic standards. About 10 percent of the students are from countries other than Guatemala.

As with every private institution, funds are always in short supply. Books of any kind are solicited by the University, including leftist literature.

LIBERTARIANS AND THE ACLU

This writer has a habit of saying complimentary things about the **American Civil Liberties Union,** and more than once we have received letters from annoyed readers. A recent letter from Mr. William H. McIlhany has referred me to his book, *A.C.L.U. on Trial* (New Rochelle, NY: Arlington House, 1976) for research material on the anti-libertarian side of the organization. We are pleased to recommend the book, since we know that the ACLU is not consistently libertarian—it was founded by socialists, after all, and the only people over the past 50 years who have taken much interest in the libertarian social issues (as opposed to the libertarian economic issues) have been the democratic socialists. As a consequence of the confusion of those who are active in its councils, the ACLU is almost never consistent in identifying both the problem and the solution in a libertarian manner.

We intend, however, to continue to say favorable things about organizations such as the ACLU which are solidly in the statist camp every time we think they are doing something which has some pro-libertarian impact. It is important to remember that "democratic socialism" has been an intellectually active movement for over 100 years and it has appealed to many of the same values which the modern libertarian movement appeals—antipathy to established institutions of state and corporate power. In the analysis of inconsistencies, and very few persons or organizations are ever consistent in their policies and values, it is useful to look for the accidental historical context in which some group of intellectuals has formed their goals and made their public statements. Every organization and political party experiences a constant flow of personnel, new recruits—old retirees, and inconsistencies vacillate between the poles of hard contradiction. If consistent libertarians were working toward some of the same goals as the ACLU, we would prefer to report on them—and they might make more effective progress. Yet, except for a few of the tax resisters, no true libertarians are fighting the government in exactly the same ways as some of the democratic socialists. We think all who fight the government are on the frontlines of the battle of political principles—on our side of the barricades.

PRIVATE POLICE FORCES

When the Libertarian Party meets in San Francisco next July for its sixth annual convention, it will be coming home to the city which introduced the idea of private police forces into practical municipal reality. Many nonlibertarians draw back at the private police issue and dismiss it as nutty, but San Francisco has incorporated it into the city charter.

According to Officer Wassil Rolovich, the liaison officer with the San Francisco Police Department who is in charge of the "patrol special" program, there are 63 beats in the city which are owned by private individuals. One such individual is Roger Levit, who paid $100,000 for his beat and employs 15 patrolmen to maintain 24 hour service in a four-square-mile, high-crime section of downtown San Francisco. Levit derives all of his income from the merchants in the area, who pay him for his services.

Levit buys all of his men's equipment, including patrol cars, although he is required to purchase items which meet city police specifications. "I don't get a penny from the city—my income is derived from the merchants who want my services. If none of the merchants in my area felt they needed protection, the beat would be worthless," according to Levit.

The idea of private police in San Francisco goes back to the wild and wooly days of the 1800's, when the business community felt it needed more police protection than the county sheriff could provide, so they got together and hired their own police forces. The arrangement was one of privately hiring official deputy sheriffs, who would be able to exercise all constabulary powers under the common law system. The system was later incorporated into the San Francisco city charter, and today the city sells franchise rights. During December, 1976, two of Levit's men arrested a rape suspect the regular police force had been hunting for more than a year.

Joe Cobb

This column is concerned with an analysis of activities on the "frontlines" of the battle of political principles, and with news about people who are active in the struggle. We appreciate news and ideas from readers. Please send materials to Joe Cobb, Box 1776, Chicago, IL 60690 for consideration and use in FRONTLINES.

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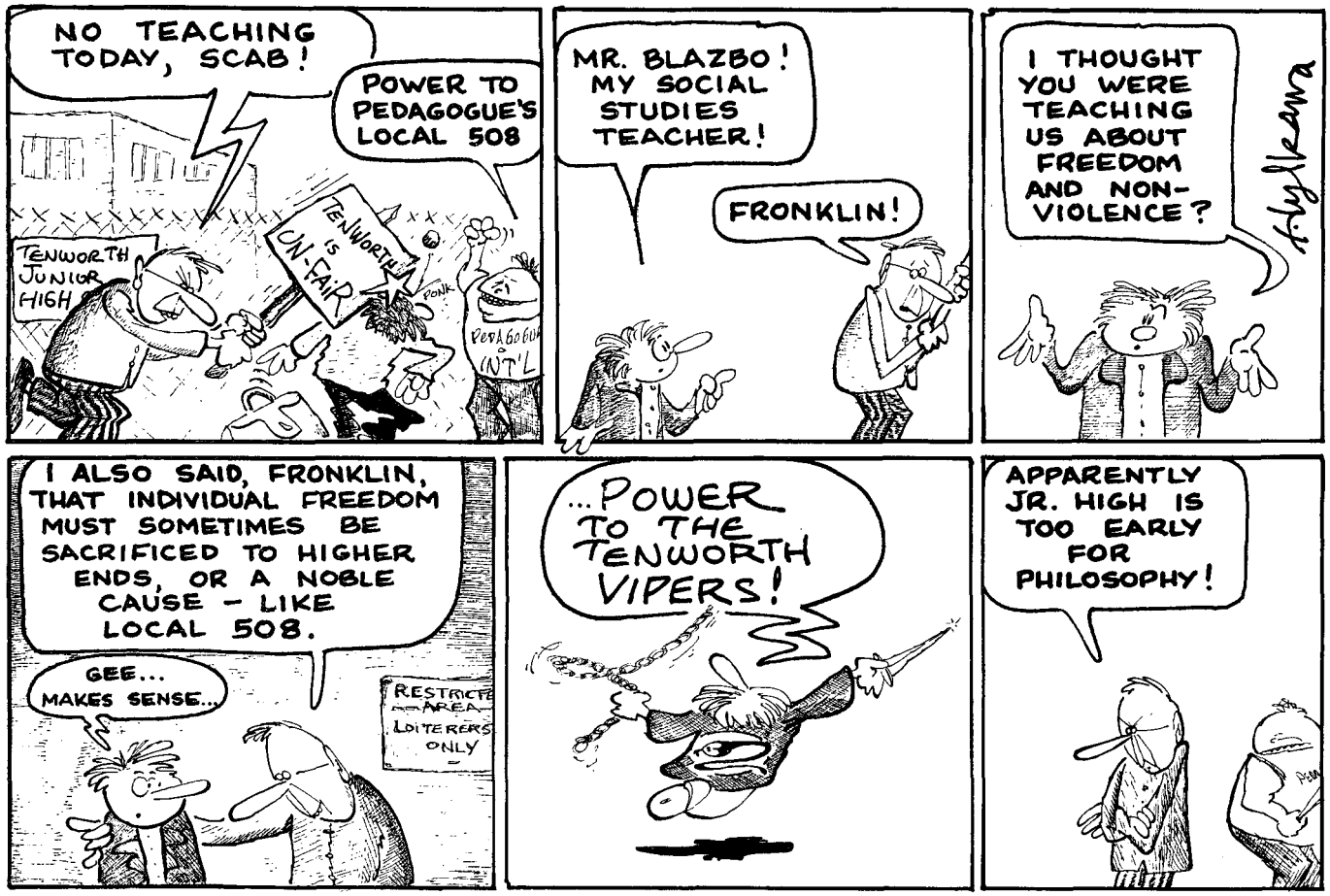
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LETTERS

(continued from page 10)

someone to let individualism and freedom pervade every aspect of his life, and watch as his self-respect grows, and see the slowly unfolding results, that new libertarian is not very likely to sink back into the Great Average swamp. He is a much more congenial companion on the barricades, and not one likely to desert when the battles get a little bit rough.

Cynthia Ann Leenerts
Arlington, VA

Letters from readers are welcome. Each receives editorial consideration, although only a selection can be published and none individually acknowledged. Letters submitted for publication in this column should be typed, double-spaced. They should be kept as brief as possible and are subject to condensation. Send letters to REASON, P.O. Box 40105, Santa Barbara, CA 93103.

EDITORIAL

(continued from page 6)

to be combined with some data provided by the economists, namely that corporate economic activity serves the purpose of production better than the alternative of statism. The myth of inherently evil corporate activity, an adjunct to the plethora of dubious historical "knowledge," needs to be debunked good and hard. At the same time the crimes performed by certain corporations, the unfortunate state associations of earlier cartels, monopolies, and oligopolies must also be spelled out.

When such a case is presented on a wide enough scale, the anti-corporate mentality has no chance at rational argumentation. Even now the bulk of the anti-corporate rhetoric is hysterical, while the few measured voices of opposition have very bad economics to give them backing. With a clearly articulated, frequently voiced, and fair case for corporations, the attack will have less of an opportunity to settle into a status of favored cliches on the *Tonight Show* and elsewhere.

TIBOR R. MACHAN

COMING NEXT MONTH

June brings REASON's annual Financial issue—a compendium of timely insight and advice on ways of coping financially with an uncertain and changing world. This issue will feature gold guru Harry Schultz explaining what has been happening to gold and why, controversial author John Dublin (*You Can Profit from the Coming Mideast War*) on ways of profiting from the Carter era, Jerome F. Smith of ERC on the prospect of hyperinflation, John Kamin (of The Forecaster) on the case for real estate investment, survival consultant Don Stephens' explanation of the hows and whys of disaster preparation, Steve Beckner on the incredible organization of Nicholas Deak, Mark Tier on the world's greatest freeport, R. W. Bradford on how not to get taken on coin investments, Dennis Turner on keeping ideology out of your investment decisions, and several other important articles. The issue also contains reviews of Harry Browne's new book on Swiss banks and on several other timely books. This special issue, cover priced at $3.50, is available at no extra cost to subscribers.

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EMPLOYMENT

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STATELESS FIRMS in various sun-belt locations have occasional openings for employment—no withholding and wages partly paid in gold units. For information, send two US first-class stamps to: Anthony Hargis; Preston Tower 805; Dallas, TX 75225.

MENSA—qualified Education/Liberal Arts student seeks laissez-faire employment in the D.C. area. I seek a constructive career: building the concepts of freedom with children, working against taxation, needling the Leviathan. Spanish- and French-speaking, creative and technical writing, and administrative assistant background. Salary negotiable; resume and portfolio available upon request. Cynthia Leenerts, 636 Nelson St., Arlington, VA 22203, (703)379-4500 (business)/(703)524-3909 (home).

MEDICAL DOCTORS Wanted to work in Objectivist oriented clinic in Oregon. Outstanding benefits including management and tax avoidance. Write or phone. 4475 SW Scholls Ferry Road, Portland, OR 97225, (503)297-3869.

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PUBLICATIONS

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PROFITS FROM SILVER

Silver saw its all time high price during 1974. Will silver do a repeat performance during 1977, or should you go short (profiting as the prices goes lower) or maximum profits? **NATIONAL HARD ASSET REPORTER** answers these questions, giving insight into how the drained resources of Great Britain will affect silver prices and how the U.S. government's "national defense stockpile" of silver may effect silver's price. You'll also learn how the Silver Users Association may again force the price of silver lower. Should your silver position be in a Swiss bank, using a Silver Claim Account, or on the London silver market, or in the United States? **NATIONAL HARD ASSET REPORTER** gives you the full story.

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Gold is going to $400 an ounce and more just as sure as I'm human says editor Richard Suter. Knowing this, should you buy gold coins, gold bullion, or gold future contracts? Editor Suter tells you which and when. This special report gives important technical information which will permit you to earn, what he believes to be, maximum profits from gold during 1977. **NATIONAL HARD ASSET REPORTER** advised subscribers as early as October, 1974, that the price of gold would drop spectacularly during 1975. All during 1975 editor Suter advised subscribers to short gold, *earning subscribers almost 100% profit a month!* How will the Arabs effect the price of gold, will the United States resume its own gold sales, what will happen to the golds quote because of continued International Monetary Fund sales, how will the 25 million ounce IMF 'gold refund' to member countries eventually effect gold's price? **NATIONAL HARD ASSET REPORTER** special reports give you the complete story. Might the Soviet Union, in its desperation to earn foreign exchange reserves, be forced to sell so much gold to drop the price of gold back down to $70 an ounce? Are Swiss banks engaged in a market-fixing operation to hold the price of gold artificially low, or artificially high? **NATIONAL HARD ASSET REPORTER** ***special reports*** give you the scoop.

COPPER

During 1974, copper hit an all time record high of $1.40 a pound. Since then, the price has moved steadily down to the current quote of near 60¢ a pound. Copper may be the best hedge against inflation. Editor Suter believes copper will skyrocket in price with the continuing industrial expansion. *Should you buy copper now for a 200% to 1000% profit during the coming year?* Subscribers taking **NATIONAL HARD ASSET REPORTER** copper recommendations in December, 1975 realized *$6,200 profit per contract* on May 15, 1976, when the position was closed. **NATIONAL HARD ASSET REPORTER** gives you the outlook for maximum profits from copper investments during 1977.

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- Shady dealings among some whiskey speculators.
- Exciting leverage possibilities in good corporate bonds.
- Front-end mutual funds: beware. How to get out if you succumbed to a high-pressure spiel.
- *2 advantages to discounted municipals—but only for certain investors.*
- Is it better to buy or sell options?
- Warning: one tax break in municipals that can vanish when the Feds take a hard look.

REAL ESTATE—FOR BEGINNERS AND PROS

- How to profit on your own home mortgage.
- One perfectly legal way to lend money and get a return higher than the usury laws allow.
- The secret of pyramiding in real estate. How $10,000—**conservatively** invested—*will* grow in 20 years to $867,361.
- What to watch out for if you're thinking of buying a co-op.
- Checklist for buying vacation land.
- 6 pitfalls you should be aware of if you buy rental property. (Just knowing them will solve most of the problems.)
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- What the landlord doesn't tell you about his profits.
- Raw land: where you can still find bargains.
- Tips on negotiating a purchase.
- REITs are down; are they out?
- 7 advantages to owning a small apartment house. 6 advantages in owning a big one.
- Some perils in dealing with land developers.
- *2 useful tax ploys when you sell rental property.*
- 2 formulas to guide you to a sound rental-property investment. (20-year profit on a **typical** deal: 5 times your investment.)
- The big profit secret in buying and selling land.
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GOLD AND SILVER

- One super-safe route to silver profits.
- Gold coins—yes. Certain ones—no.
- 5 negative factors to weigh before you make any kind of silver investment.
- 10 long-life South African gold stocks. 8 promising Canadian golds.
- The powerful leverage in silver coins—after the price drops.
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- How much actual gold is there in the 32 common gold coins? Handy table tells you at a glance.
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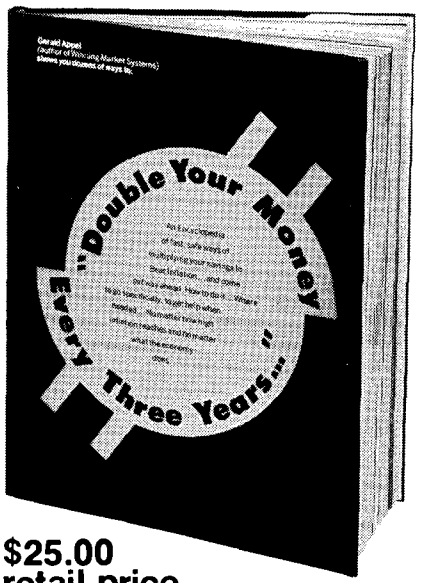

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